

The NATIONAL UNDERWRITER



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FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY
ORGANIZED 1855



THE GIRARD FIRE AND MARINE INSURANCE COMPANY
ORGANIZED 1853



NATIONAL-BEN FRANKLIN FIRE INSURANCE COMPANY of Pittsburgh, Pa.
ORGANIZED 1866



THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE
ORGANIZED 1870



MILWAUKEE MECHANICS' INSURANCE COMPANY
ORGANIZED 1892



ROYAL PLATE GLASS AND GENERAL INSURANCE COMPANY OF CANADA
ORGANIZED 1906



THE METROPOLITAN CASUALTY INSURANCE COMPANY OF NEW YORK
ORGANIZED 1874



COMMERCIAL CASUALTY INSURANCE COMPANY
ORGANIZED 1909



PITTSBURGH UNDERWRITERS • KEYSTONE UNDERWRITERS

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THURSDAY, JANUARY 5, 1950

AMERICAN FOREIGN INSURANCE ASSOCIATION



Wherever the plants, machinery, raw material, finished goods or personnel of American business are located overseas, you can handle their foreign insurance protection against practically any hazard except life—right here at home.

Furthermore, American Foreign Insurance Association's long, specialized experience guarantees that coverage will be soundly handled and efficiently administered. And with

claim-settling agents located across the world, losses can be adjusted promptly and on the spot.

Beyond all this, insurance protection arranged through American Foreign Insurance Association is the *strongest protection obtainable*. The member companies which comprise American Foreign Insurance Association—listed below—are your guarantee of that fact. Place your foreign risks through American Foreign Insurance Association!

Outstanding Member Companies! They Compose American Foreign Insurance Association . . .

Fire and Marine Companies

AETNA INSURANCE COMPANY
Hartford, Conn.
THE AMERICAN INSURANCE CO.
Newark, N. J.
THE CONTINENTAL INSURANCE CO.
New York, N. Y.
FIDELITY-PHENIX FIRE INSURANCE CO.
of New York, N. Y.
FIRE ASSOCIATION OF PHILADELPHIA
Philadelphia, Pa.
FIREMAN'S FUND INSURANCE COMPANY
San Francisco, Calif.
GLENS FALLS INSURANCE COMPANY
Glens Falls, N. Y.
GREAT AMERICAN INSURANCE COMPANY
New York, N. Y.

HARTFORD FIRE INSURANCE CO.
Hartford, Conn.
THE HOME INSURANCE COMPANY
New York, N. Y.
THE PHOENIX INSURANCE COMPANY
Hartford, Conn.
SPRINGFIELD FIRE AND MARINE INS. CO.
Springfield, Mass.
ST. PAUL FIRE & MARINE INS. CO.
St. Paul, Minn.
UNITED STATES FIRE INSURANCE CO.
New York, N. Y.
WESTCHESTER FIRE INSURANCE CO.
New York, N. Y.

Casualty Companies

BANKERS INDEMNITY INSURANCE CO.
Newark, N. J.

CENTURY INDEMNITY COMPANY
Hartford, Conn.
FIDELITY & CASUALTY COMPANY
of New York, N. Y.
FIREMAN'S FUND INDEMNITY COMPANY
San Francisco, Calif.
GLENS FALLS INDEMNITY COMPANY
Glens Falls, N. Y.
GREAT AMERICAN INDEMNITY COMPANY
New York, N. Y.
HARTFORD ACCIDENT & INDEMNITY CO.
Hartford, Conn.
THE HOME INDEMNITY COMPANY
New York, N. Y.
NEW ENGLAND CASUALTY INSURANCE COMPANY
Springfield, Mass.
ST. PAUL-MERCURY INDEMNITY CO.
St. Paul, Minn.



AMERICAN FOREIGN INSURANCE ASSOCIATION

80 MAIDEN LANE • NEW YORK 7, NEW YORK

CHICAGO OFFICE: INSURANCE EXCHANGE BUILDING, 175 WEST JACKSON BLVD., CHICAGO 4, ILLINOIS
SAN FRANCISCO OFFICE: MILLS BUILDING, 220 MONTGOMERY STREET, SAN FRANCISCO 4, CALIFORNIA

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Federal Specter Raised in Rhode Island Row

Acrimonious Collision Between States Occurs in Convention Examination

On call of Commissioner Bisson of Rhode Island, commissioners and examiners of the nine states participating in the convention examination of Rhode Island Ins. Co., plus other interested state department personnel, gathered at the state capitol at Providence Wednesday morning for a go-around on the tangled and acrimonious situation involving Rhode Island Ins. Co.

On Tuesday there was a gathering of commissioners and departmental people at Boston on the same subject.

This is developing into a cause célèbre. It is producing a collision between some of the states and a threat by Attorney General Powers of Rhode Island to instigate a "full federal investigation" of state supervision of insurance unless the examiners of all nine states sign the convention examination report of Rhode Island Ins. Co. So far only Rhode Island and Florida have signed the report.

Bisson Statement Issued

Earlier Mr. Bisson had issued a statement giving Rhode Island Ins. Co. a clean bill of health and then saying that if, in the final analysis, the most extreme adjustments were made in the report, the company would be comfortably situated as to surplus.

Mr. Powers, in his letter, expressed the hope that the failure of the remaining examiners to sign the report is due solely to their desire to give their own commissioners an opportunity to study it or "some other reason" and not to the "same type of unnecessary dilatory tactics as have marked every phase of the convention audit."

Following Mr. Bisson's statement on the condition of Rhode Island Ins. Co., Forbes of Michigan, as president of National Assn. of Insurance Commissioners, wrote a letter to all of the state officials declaring that the report of the seven examiners who did not sign and which is now in the pre-draft stage "shows that the capital of Rhode Island is impaired."

Threat to State Control

Mr. Forbes declared that the Powers letter "contains a definite threat to state supervision of insurance." Mr. Forbes said the examination of Rhode Island was completed about Dec. 16. The examiners from Washington, Wyoming, New Mexico, Georgia, Indiana, Michigan and Pennsylvania refused to sign the report as drafted. He said he regretted the publicity that has arisen but when Mr. Bisson issued a public statement to the effect that the examination had been completed and that Rhode Island had been found to be solvent, he said he had no other alternative except to challenge his statement. He said he regretted that the commissioners who had examiners participating were not afforded an opportunity to meet and discuss conflicting reports before any public statements were made. Mr. Forbes said he had suggested to Bowles of Virginia, chairman of the examinations committee of N.A.I.C., that he

J. A. Munro Fills Grannatt Posts

Joseph A. Munro has been elected president of Prudential of Great Britain located in New York, and of Hudson and appointed U. S. manager of Skandia, succeeding M. H. Grannatt, who retired Jan. 1.

Mr. Munro entered the business with American Foreign Insurance Assn. and his first assignment was in China as a field man. He traveled extensively in Asia, was manager at Singapore and then for India and Burma, later went to South America and for a time was in Paris and London. In 1937 he joined Royal-Liverpool as manager of the foreign brokerage department in the U. S.

After war service he returned to Royal-Liverpool as vice-president of Prudential and Hudson and assistant U. S. manager of Skandia. The three companies are reinsurers under a single management and form the oldest reinsurance office in the U. S.

call a meeting to discuss the report of examination before it was released as a public document. Mr. Forbes said he regards the Powers letter as "implied coercion on the seven examiners who dissented from the report."

"No threat of federal regulation or federal investigation should have any bearing on the final conscientious and honest judgment of any examiner," he said.

Statement by White

Jesse B. White, president of Rhode Island, issued a statement that the chief examiner in the convention examination and the Florida examiner filed a "completely detailed and documented audit showing the Rhode Island Ins. Co. to be amply solvent under the laws of its home state and of Florida." No other examiner, he declared, has filed anything except an unsigned pre-draft report. Inquiry, he said, has elicited the information that some of the states believe that the London Lloyds and other reinsurance of Rhode Island Ins. Co. may be technically ineligible under their laws and that still others feel that balances agreed to be due from William Penn Fire and Pioneer Equitable may be technically ineligible as assets to Rhode Island. He said that criticism of Rhode Island Ins. Co. in the pre-draft form is based not upon any claim that its reinsurers are unsound or any of its assets lacking in value, but rather that they may not be admissible under the varying technical laws of some of the states.

Mr. Powers in his letter recalled that he was chairman of the Rhode Island joint legislative and executive commission that was created to revise the insurance law and establish regulation pursuant to public law 15. He stated that he has never fully been convinced that insurance could eventually escape federal regulation. The conflict in the insurance law of the states as evidenced by this convention report of Rhode Island indicates that he may be correct, he said. Unless the report is signed by the remaining examiners "within a period of time which I shall call upon you to determine as reasonable" he said he will not hesitate to call upon U. S. Attorney-General McGrath who, incidentally, is a former Rhode Island governor, for a full federal investigation.

About 40 were on hand for the Providence conference Wednesday. These include the commissioners and attorneys general of most of the states that participated in the convention examination.

Powers stated this week that the evidence indicates to him that Rhode Island is solvent. He said the conference called by Mr. Bisson was to determine

M. & M. Launches 1950 with Team Play Luncheon

Marsh & McLennan was host at a New Year's luncheon Tuesday in the Chicago Club to about 150 western executives of fire and casualty companies, bureau heads and other leaders. This brought together much of the top segment of the fire and casualty business at Chicago as the new year opened.

C. W. Seabury, chairman of Marsh & McLennan, got down to first principles in addressing the guests briefly. He recalled that two years ago Marsh & McLennan was host on a similar occasion and at that time there were great fears besetting the business. The biggest ogre was the threat of federal government intrusion but also in all branches of the business there was a fearfulness of the loss experience trend. The insurance business seemed to be on a great many precipices.

Mr. Seabury recalled at that time he delivered an optimistic message expressing the belief that the business could not be harmed or destroyed except by those responsible for carrying it on. He said the leaders in the business were holding a trust and they had definite and serious obligations. One of those obligations was to take the optimistic view. Two years later there is found great cause for relief. The problems that seemed so menacing then have largely been dissipated. There are many problems now on the horizon but he said it is up to leaders in the business to believe in the future. Problems that are now confronting insurance can and will be solved. There are problems of administration, of increasing cost, of control. One by one they can be overcome. The importance of team play should always be realized—team play as between companies, brokers and agents, and as between all of the various classes of insurance.

Mr. Seabury remarked on the effect upon business and upon insurance of the tremendous increase in population. He remarked that insurance rises and falls with the flow of general business and that insurance is dependent upon what others are doing. If all hands work together there is bound to be success in overcoming the problems.

Insurance Director Hershey of Illinois was present and addressed the group briefly.

Chris D. Sheffe, U. S. manager of London Assurance, was one of the guests, accompanied by Chicago Manager Karl Weipert.

what could be done, that failure of the states to sign the examination report was causing time to run against the insurer.

He stated that the letter he wrote to Mr. Bisson which Mr. Bisson circulated to the states on the examination, and which contained reference to a federal investigation was not coercive as charged by Forbes, however, he added, he would not hesitate to charge chicanery by commissioners who refuse absolutely to sign the report. The grievances of those commissioners, fancied or real, are not going to jeopardize interest of investors or policyholders in Rhode Island. A federal examination would permit disclosure of any merit in the contentions of other states.



C. W. Seabury

Fireman's Fund Submits Term Rule Revision Ideas

3 Year Limit, 10% Discount, All Classes Eligible, Annual Rate Adjustment

SAN FRANCISCO—With the hope that a statement of its views might be helpful in finding a solution to an important industry problem, Fireman's Fund group sets forth its views on the fire insurance term rule and premium financing in an article appearing in this month's edition of Fireman's Fund "Record," the group's official publication.

Believing that most of the difficulties associated with the financing of insurance premiums arise out of an indefensible and actuarially unsound term rule, Fireman's Fund indicated that it has long felt that the term rule is incorrect in that it does not permit a term discount on all classes; it provides for actuarially unsound discounts; and contains no limitation of permissible policy term.

Gives Specific Suggestions

Fireman's Fund offered for industry considerations the following recommendations:

- The making of all classes of property eligible for term discount.
- The adoption of a revised term rule which would reduce the existing discount on a three-year prepaid policy from 16 2/3% (33 1/3% in one jurisdiction) to 10%.
- The establishment of a period of three years as a maximum permissible term.

The latter suggestion encompassed the belief that longer periods have the effect of nullifying rate increases from an adequacy of rate standpoint beyond the requirements of policyholders and that such a limitation could be helpful on the important issue of underwriting capacity.

Revise Annual Rate

Because present three-year term rates are generally conceded as adequate and not excessive, it was suggested that the proposed term rule would require the publication of new and defensible annual rates on present term classes so as to continue three-year rates approximating those presently available.

The article indicated a belief that the suggested changes should meet with producers' support in that they would not affect premium costs or commissions on existing three-year term business and that reduced premiums and commissions on business that would be converted to three years could be justified through the elimination of expense in handling second and third year contracts. After the term rule is corrected and an opportunity made available to appreciate to what extent, if any, need for installment payments on term contracts continues, Fireman's Fund then urged joint producer and company consideration of whatever financing plan might be required by policyholders at adequate rates of interest on the belief that producers would be willing to recognize any real need on either annual or term policies under a plan that should be equitable to policyholders, producers and insurers.

Three Retiring Officers of Aetna Fire Honored

Guy E. Beardsley,
George L. Burnham and
P. W. D. Bush Step Aside

HARTFORD—Three senior officers of Aetna Fire who are retiring to the reserve force were guests of honor at a dinner given by the management here.

The retiring officers, whose tenure with Aetna totals 142 years, are: George L. Burnham, treasurer and director; Guy E. Beardsley, vice-president and director; and Vice-president P. W. D. Jones of the North Carolina department.

Several attractive gifts were presented to the guests of honor by the directors and their fellow officers. Clinton L. Allen, executive vice-president, made the presentation to Mr. Beardsley; Vice-president Harry R. Tomlinson delivered a testimonial speech honoring Mr. Jones; and new-elected Treasurer David A. Solly, Jr., recounted a few highlights of the career of his predecessor, Mr. Burnham.

Mr. Burnham retires after more than 56 years of service. He has been treasurer 26 years and a director 19. Joining the home office accounting department in 1893, he was promoted to assistant cashier two years later. In 1919 when the new office of comptroller was established, Mr. Burnham was chosen for that position and in 1923 he was elected to the newly created office of treasurer. He was elected a director of Piedmont Fire in 1930 and four years later he was made director of Aetna, World F. & M. and the Century Indemnity. He also is a director of Standard of New York.

Mr. Beardsley, the senior vice-president, has been an officer for 42 years and a director for 21. A vice-president since 1919, he has been identified with fire insurance for more than 53 years, all but three of which have been with Aetna. He graduated from Sheffield Scientific School of Yale in 1896. Shortly thereafter, he joined the Aetna as an examiner. In 1902 he became special agent in western Pennsylvania with the then newly formed National Union Fire. A year later he became state agent in Connecticut and Rhode Island for Home. He returned to Aetna in 1905

as special agent for New England. In 1907, at the age of 32, Mr. Beardsley was called to the home office as assistant secretary, and in 1919 he was elected vice-president and secretary. He filled both offices until 1928 when upon his election as a director he relinquished the office of secretary.

Mr. Jones, vice-president and director of Piedmont Fire and secretary of Aetna, has devoted a half century of service to fire insurance, of which 36 years have been with Aetna. He has been an officer since 1924. He entered the business in 1899 with an Aetna agency at Emporia, Va. Five years later he became secretary of Homestead Fire of Franklin. In 1908 he was made special agent of National Union Fire, and in 1913 he joined Aetna as special agent for North Carolina and later became state agent. He went to the home office in 1923 with the title of general agent and in 1924 was elected assistant secretary. His promotion to secretary followed in 1930 and a month later he was elected vice-president and director of Piedmont and transferred to North Carolina.

Wisc. Mutual Agents' Group Elects, Changes Its Name

At the annual meeting of Wisconsin Federation of Insurance Agents at Sheboygan it was voted to change the name to Wisconsin Assn. of Mutual Insurance Agents. The members also voted to join National Assn. of Mutual Insurance Agents.

New officers elected are: President, E. C. Gother, Milwaukee; vice-president, Harold Achter, Milwaukee; secretary, Adolph S. Imig, Sheboygan; treasurer, H. P. Otten, Milwaukee; directors, Gus Possin, Waupun; Harold Shier, Madison; and Roman Wagner, Sheboygan.

Kan. Subrogation Decision

The Kansas supreme court has reversed a lower court decision that in a subrogation case the "real parties in interest" are the insured and that it is not a defect for the insurers not to be named as co-plaintiffs. The supreme court held that the Kansas statute is explicit on this point. The lower court apparently felt the statute was complied with by the fact that the insured admitted in court that a part of their loss has been compensated by insurance, and that any recovery would be for the benefit of the insurers up to the amount of what they had paid. The case was Mehl et al., d. b. a. Mehl Bros. Sheet Metal Works vs. Carter d. b. a. Carter Auto & Electrical Supply; Boyd et al., d. b. a. Downtown Pontiac vs. Carter.

The plaintiffs seek recovery from Carter for fire loss suffered Feb. 5, 1948, originating in Carter's place of business at Coffeyville. Mehl seeks damages of \$17,570.

America Fore Expands Services

The America Fore automobile department is now underwriting and servicing all automobile business emanating from the Pacific Coast territory for all companies of the group.

Each of the America Fore companies is prepared to write all the customary automobile coverages or any usual combinations of them in one contract.

This department is under the supervision of W. J. McKeegan at San Francisco assisted by T. C. Connor at Los Angeles.

Robert M. Tapscott, formerly in charge of the San Francisco claim department, is named supervising attorney for all casualty and automobile physical damage claims operations on the coast. He will be assisted by Francis D. Barrett and Reginald Heber, both formerly at the home office claim department.

Warren Shell, who has been Mr. Tapscott's assistant at the San Francisco claim office, will succeed Mr. Tapscott in charge of that office.

Announcement is also made of the promotion of C. Hugh Heard to regional claims supervisor for the entire southern department with headquarters at Atlanta.

Two new claims offices have been opened in California, one at Stockton under the management of Robert E. Lee, formerly of the Sacramento claim office, and one at Long Beach under the management of Donald P. Dolan, formerly of the Los Angeles claim office. America Fore now has 10 claims offices in California.

Neb. Auto Rates Cut

Insurance Director Stone of Nebraska has approved automobile fire, theft, comprehensive and collision rate reductions for National Automobile Underwriters Assn. and for independent companies. There is an average reduction of 12½% for private passenger cars overall. Truck collision rates are being increased in some classes and truck fire, theft and comprehensive rates are being reduced 5% to 22%. The overall change for both private passenger cars and trucks represents a decrease of 10.3%.

Mr. Stone estimates that the savings to motorists will exceed \$500,000.

Norris Assn. President

Officers elected by Jefferson County (Wis.) Assn. of Insurance Agents at its annual meeting were: Ralph N. Seward, Lake Mills, president; W. R. Norris, Palmyra, vice-president, and Arthur R. Setz, Waterloo, secretary.

The Springfield (Ill.) Assn. of Insurance Women held a party for the Mary Bryant Home for the Blind. A check was presented to the home.

Leddy American's Education Director

American has named John J. Leddy as director of education to succeed John N. Cosgrove, assistant secretary, who will assume increased duties in connection with the production committee.

Mr. Leddy joined Bankers Indemnity in 1934 at New York. He was assistant superintendent of the burglary and glass department at New York when he joined the army air force in 1941. In 1946 Mr. Leddy was named assistant superintendent of the burglary, glass and A. & H. department at the home office, and in 1948 he became associate director of education.

Franklin King, who joined the education department in October, will continue to be associated with Mr. Leddy. The department is under the supervision of Bert A. Jochen, vice-president.

Western Adjustment Names Four in Cleveland Promotion

Following the recent appointment of Arthur D. Fulton, Cleveland manager, as regional supervisor for northeast Ohio, Western Adjustment has promoted four members of the Cleveland staff.

F. W. Berry has been appointed assistant manager to Mr. Fulton. A. C. Kistemaker and E. J. Allen have been appointed general adjusters. G. T. Refoy has been appointed inland marine supervisor.

Mr. Berry, who joined Western Adjustment in 1936, has had 19 years adjusting experience. Messrs. Kistemaker and Allen have had 15 and 14 years experience respectively, practically all of it in the Cleveland area. Mr. Refoy transferred to Cleveland in 1946 from Grand Rapids and has been with the company since 1939.

Western Adjustment has furthered its plan of decentralizing in metropolitan cities by establishing sub-offices at Willoughby-Painesville, Shaker Heights and Lakewood. This operation is under the supervision of Mr. Fulton.

Rochester Agency Changes

The name of the Loewenguth & Dineen agency of Rochester, N. Y., has been changed to Loewenguth & Hughes with Frederick M. Loewenguth as president and Thomas Hughes, Jr., as vice-president. Mr. Loewenguth has been president since 1933, and Mr. Hughes has since 1947 been special agent for Fidelity & Guaranty in west central New York. The agency has represented U. S. F. & G. for 52 years and F. & G. since the company was founded.

Mr. Hughes, a graduate of Johns Hopkins, joined F. & G. in Hartford in the inland marine department.

Show Range of Insurance Stocks in 1949

Prepared by Howard W. Cornellius of Bacon Whipple & Co., 135 S. La Salle St., Chicago. Quotations are approximate as of the last business day of each month.

	January	February	March	April	May	June	July	August	September	October	November	December
	Bid	Asked	Bid	Asked	Bid	Asked	Bid	Asked	Bid	Asked	Bid	Asked
Aetna Cas.	80½	82	82½	84	84	87	82½	86½	75	79	83	84
Aetna Fire	52½	54½	53½	55½	55½	50½	52½	56½	50½	52½	56	58
Aetna Life	54½	56½	54	56	58½	60½	55	57	51	53	59	61
American, Newark	18	19½	17½	19	17½	18½	16½	17½	16½	17½	18½	19
Boston	62½	64	65	67½	67½	63	65½	62	59½	61½	64	66½
Continental Assur.	64	66	66	68½	64½	63	65	60	58	60	62	63½
Continental Cas.	56½	57	53½	54½	55½	56	56½	54½	50½	51	52½	53½
Continental Ins.	60	62	60	61	62½	63	61	61½	58	58½	60½	61½
Fidelity-Phenix	64½	65	66	67½	66½	67½	67	67½	64½	65½	67½	69
Firemen's, Newark	15½	16½	17½	16	17½	16½	17½	16½	15½	16½	17½	18½
Glens Falls	48	50	48	50	48½	50½	47½	49½	48	50	48	50
Great American	33½	35	32½	33½	34½	31½	33	31	31½	32½	33½	35
Hanover	31½	33½	31½	33½	30	32	32	34	30½	31	33	33½
Hartford Fire	120	123	123	126	125½	128½	122½	126½	119	123	126½	130½
Home	29½	30½	28½	30	29½	30½	27½	29½	28½	30	29½	31½
Ins. Co. No. Am.	109	110	107½	108½	109½	110	105½	106½	100½	101½	105½	105½
National Cas.	25½	27½	26½	28½	26½	28½	25½	27½	23½	25½	25½	27½
National Fire	52½	54½	53½	55½	54	56	52½	54½	50½	52½	52½	54½
North River	25½	27	25	26½	25	26½	24½	26½	23½	25½	25	26½
Phoenix, Conn.	87	90	86½	89½	88	91	83	86	79½	82½	84	87
Prov.-Wash.	35½	37½	33½	35½	33½	35½	33	35	31	33	33	34½
St. Paul F. & M.	80	83	84½	87½	86	88	84	86	80½	82	84	86
Security, Conn.	32½	34½	34	36	34½	36	33½	35½	31	33½	33	35
Springfield F. & M.	45½	47½	44½	46½	46	48	44	46	43	45	44	47
Travelers	650	675	650	675	680	705	645	690	643	668	685	710

*Increased capital in 1949.

**Has announced plans to increase capital within 60 days.

†Ex. 33¼% stock dividend.

‡New stock after 100% stock dividend.

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1/2 54
1/2 40
1/2 36
1/2 117
1/2 37
1/2 136
1/2 32
1/2 62 1/2
1/2 29
1/2 102
1/2 37
1/2 106
1/2 39
1/2 49 1/2
42 1/2

Insurers Win Coast U. & O. Case

SAN FRANCISCO — Federal Judge Erskine here has handed down a decision in favor of 40 fire companies which have been in litigation with Pickering Lumber Co. over a U. & O. loss sustained in a fire in July, 1945.

There was \$651,000 U. & O. insurance involved and the lumber company claimed a loss considerably in excess of the insurance. The companies demanded an appraisal and advanced \$250,000 on the loss.

The appraisers made an award of \$491,379 and the companies then offered to pay the difference between that sum and the advance. This was rejected by the Pickering company.

Later the companies filed a declaratory action asking that the award be declared valid. The insured then filed a counter claim asking that the award be declared invalid and a judgment for \$401,000 — this being the difference between the claimed total loss and the advance — plus interest.

Dekker Is America Fore Assistant Secretary

Nick Dekker has been named assistant secretary of the America Fore fire insurance companies. He is in the western department at Chicago and has been with the organization since 1916. He started at Chicago as a district boy, and in 1921 went into Minnesota as a special agent.



Nick Dekker

In 1926 he was transferred to Kansas as a state agent for American Eagle and First American. Two years later he assumed joint supervision of all America Fore fire companies in western Kansas.

In 1934, Mr. Dekker returned to Minnesota as state agent for the eastern section, and in 1948, he went back to the western department as executive assistant.

All-Industry Invitation Given to Wendell Berge

WASHINGTON — Wendell Berge, counsel of Assn. of Insurance Advertisers, has received an invitation from A. V. Gruhn that the association name a representative to the all-industry committee. Mr. Berge has referred the matter to E. J. Becker, Mutual Hospitalization, Wilmington, Del., A.I.A. president. Copies of the invitation have gone to all association members. Mr. Becker is expected to get the views of association directors in a mail canvass.

Arrange Insurance Clinics

LANSING, MICH.—Two additional insurance clinics have been arranged for the Ludington and Traverse City areas by Michigan Assn. of Insurance Agents, local chambers of commerce and Michigan State College.

The Ludington clinic will take place Jan. 10. General liability and inland marine will be discussed by F. G. Lisle, Ionia, state agent for North British, and Sheldon S. Pond, superintendent of casualty for American Surety at Detroit.

The Traverse City clinic is scheduled for Jan. 12. Sponsorship and subjects will be the same but Elmer Mell, special agent at Traverse City for Hartford Accident, will replace Mr. Pond as one of the instructors.

Frank T. Wooten, Chadbourn, N. C., agent, has been appointed to the Columbus county board of education.

Bert W. Levit of Lonfi & Levit represented the companies.

The court stated: "The presumption is that the decision and award of the referees was correct and valid."

"If the questions of accountancy or of law were implicit in or incidental to . . . determination (of profits and of fixed charges and expenses) it was the clear intent of the provisions for reference in said policies that the referees should make such determination, whether they were appraisers or arbitrators.

"There is nothing in the policies . . . which requires the appraisers to make specific findings respecting the adequacy or inadequacy of each of the many items in the proof of loss. The failure to make an express finding in the award on a particular claim does not invalidate the award.

"In arriving at (their award) the referees may have deferred to the opinions of each other and thus reached a compromise of opinion, but such a concession and compromise is not (improper).

"The very nature of the questions to be submitted to the referees by the terms of the policies indicated that it was contemplated by and the intent of the parties that the referees should pass upon any subject that was implicit in or incidental to such determination, including questions of accountancy or law, whether they be called appraisers or arbitrators. Accordingly, if in determining these questions they were required to construe the policies or settle questions of law they were acting within the scope of the submission."



Up-to-Date Bulletin on the New, Broader Garage Liability Policy

All Connecticut Indemnity agents recently received a Bulletin and a sample folder on the newly released Garage Liability Form. The folder reproduces in two colors the cartoon shown above. In every agent's territory there are scores of garages, repair shops, car dealers, service stations and parking lots — all of whom are prime prospects for this new, broadened contract.

Agents of the Connecticut Indemnity are always kept up to date on new forms and selling ideas. Not only does a well equipped, well trained field force work constantly helping agents, but the executives of the company are always available, and spend much of their time in the field working with agents.

Security Insurance Companies

HOME OFFICE: NEW HAVEN, CONNECTICUT

Security Insurance Company of New Haven
The East & West Insurance Company of New Haven
New Haven Underwriters
The Connecticut Indemnity Company

1841 — "SECURITY," THE NATION'S WATCHWORD — 1950

If you would like to see Connecticut Indemnity's new bulletin and folder on garage liability — a form through which premiums and commissions come in big pieces — simply send the coupon — no cost or obligation.



Connecticut Indemnity Company
New Haven, Connecticut

Please send me, without cost or obligation, a copy of your bulletin and mail advertising folder on the new, broader Garage Liability Form.

Name _____
Agency _____
Street _____
City or Town _____ State _____

John Adam, Jr., Author of Timely Sales Treatise

Just off the press is a new 184 page book, "More Sales for You," written specially for, and dedicated to, property insurance salesmen. The author is John Adam, Jr., resident secretary of Central Manufacturers Mutual at Boston.

The book is an informative briefing for the new salesman and a stimulating review for the more experienced. Some of the chapters deal with insurance

salesmanship in general; others with the art of selling specific coverages.

With candor and wit, Adam puts sales under the X-ray and shows what makes them click. He discusses how to anticipate and meet prospects' objections, how to distinguish between true objections and excuses, how to use the power of suggestion, when and how to close, sets forth numerous formulas for boosting sales.

Here are a few excerpts: "A single emotion is worth a dozen facts. . . . The optic nerve is 22 times stronger than

the nerve that runs from the ear to the brain. . . . The first 30 seconds determine whether Mr. Prospect will 'hear you out' or 'throw you out' . . . Closing the sale is merely nudging the prospect to do what he really wants to do."

The volume is being made available to all Central agents free of charge.

Named by Farmers of York

Farmers Fire of York has appointed G. D. van Wagenen & Co., Minneapolis, as general agent for Minnesota.

Travelers Fire Names Five New Assistant Managers

Five special agents of Travelers Fire have been promoted to assistant managers. Kermit G. Davis has been named assistant manager at Seattle; Lloyd H. Lowe at Houston; Arthur S. Roberts, Jr., at South Bend; Richard L. Sweet, Jr., at Hartford, and Henry M. Tenney, Jr., at Rochester.

Mr. Davis has been with Travelers since 1938 and served at Pittsburgh and Toledo. Following military service he returned to Pittsburgh and in 1948 he was transferred to Seattle as special agent.

Mr. Lowe joined Travelers in 1937 in the southern department in the home office. After military service he returned to the home office and was named special agent. In 1947 he was assigned to Houston.

Mr. Roberts started in 1930 at Newark. In 1947 he was named special agent at South Bend. Prior to joining Travelers, Mr. Roberts was with the marine department of Home.

Mr. Sweet joined Travelers in the indemnity department in 1936 and in 1937 transferred to the fidelity and surety division as assistant underwriter. In 1945 he was assigned as special agent at Hartford.

Mr. Tenney has been with Travelers since 1946 as a special agent at Cleveland and Buffalo with headquarters at Rochester.

Stuart P. Ramsay, special agent in Indianapolis, has been appointed in the same capacity to Los Angeles.

J. M. Hanbridge, fire service engineer at Syracuse, has been appointed special agent at Syracuse.

Ritgerod Heads Insurance Society of Little Rock

LITTLE ROCK—Henry A. Ritgerod, L. V. Martin & Co., general agents, was named president of the newly organized Insurance Society of Little Rock by its board of governors. Dan Cotton of Rightsell-Collins-Barry & Donham agency, who is also vice-president of Arkansas Assn. of Insurance agents, was named vice-president; Miss Ophie Young of L. B. Leigh & Co., general agents, secretary, and Claude Hoskinson, also of the Leigh general agency, treasurer.

The new group is backed by the various Little Rock insurance organizations as a central educational agency. The society will offer several of the N.A.I.A. courses, both beginner and standard series.

Makes Four Coast Changes

Royal-Liverpool has enlarged its Denver office, naming G. R. Beyries, who has been in the Pacific department and more recently in the field, as assistant manager. R. N. Dumont has been transferred from Omaha to Denver as casualty underwriter.

Richard P. Cory, who has traveled Colorado and Wyoming has been appointed state agent for New Mexico and V. C. Gustafsson, formerly special agent there, has been transferred to San Francisco.

Standart & Main and Cashman & Evans of Denver continue as general agents for Royal Indemnity and Globe Indemnity respectively.

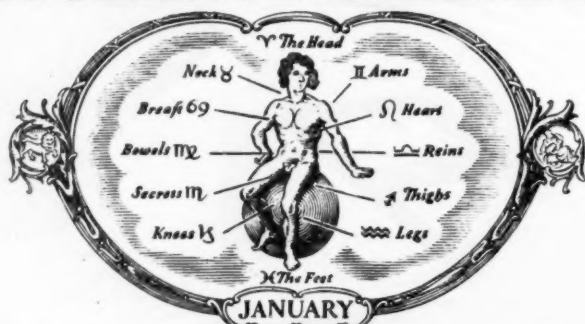
Buy New H. O. Site

Worcester Mutual Fire has purchased two historic homes in Worcester and will use the property late this year as a site for its new home office.

The property purchased was the house built by Governor Levi Lincoln, the first president of the company and governor of Massachusetts for seven years.

Halbert Harvard for 20 years a local agent at San Jose, Calif., has sold his agency and moved to Salem, Ore., where he is managing the insurance department of W. H. Grabenhorst & Co.

INSURANCE CALENDAR



In January, 1773, Benjamin Franklin started Poor Richard's Almanack, vowing his purpose was to "do public good . . . and to make a little for Poor Richard." His "good" in-

creased yearly, and so, in direct proportion, did his profits! Starting with an identical philosophy, public good from insurance has increased yearly at a steadily increased rate.

1950—JANUARY hath 31 days.

"Imitation is the sincerest flattery."

- 1—Su.—New Year's Day, 1863, Emancipation Proclamation in effect.
- 2—M.—1942, Japs occupied Manila, Cavite Naval Base.
- 3—Tu.—1911, U.S. Postal Savings Bank established.
- 4—W.—☺ Full Moon, 2:48 A.M., E.S.T.
1908, Disastrous theatre fire in Boyertown, N. J.—169 casualties.
- 5—Th.—RESOLVED: to start 1950 right by checking property insurance. Call your Agent or Broker.
- 6—Fr.—1792, Franklin Engine Co. established—later joined Fire Association.
- 7—Sa.—1839, Invention of daguerreotype, first method of photography.
- 8—Su.—1815, Battle of New Orleans.
- 9—M.—1793, First balloon ascension, Phila. 1892, Fire destroyed much of University of Missouri.
- 10—Tu.—1920, League of Nations organized, 1946, First General Assembly of United Nations.
- 11—W.—☾ Last Quarter, 5:31 A.M., E.S.T.
1942, Japs declared war on Netherlands.
- 12—Th.—1919, Peace Conference opened in Paris.
- 13—Fr.—1864, Stephen Collins Foster, American folk song composer, born.
- 14—Sa.—Are all the property improvements you made last year covered by fire insurance?
- 15—Su.—1907, Lee DeForest patented first radio tube.
- 16—M.—1883, Civil Service Act passed.
- 17—Tu.—1706, Benjamin Franklin, statesman and scientist, born.
- 18—W.—☼ New Moon, 2:59 A.M., E.S.T.
- 19—Th.—1840, Wilkes discovered Antarctic continent.
- 20—Fr.—1936, Death of England's King George.
- 21—Sa.—1824, Thomas (Stonewall) Jackson, Confederate commander, born.
- 22—Su.—1944, U.S. and British troops landed at Anzio beach, Italy.
- 23—M.—Do you know your local Agent or Broker can write your foreign insurance. Call him today!
- 24—Tu.—1838, Morse exhibited the telegraph.
- 25—W.—☾ First Quarter, 11:39 P.M., E.S.T.
1921, Athens, Ga. fire, three city blocks burned, \$4,000,000 damage.
- 26—Th.—1880, General Douglas MacArthur born.
- 27—Fr.—1880, Edison patented the incandescent lamp.
- 28—Sa.—1933, Hitler became Chancellor of German Reich.
- 29—Su.—1944, U. S. began bombardment of Wake and the Marshalls.
- 30—M.—1882, Franklin Delano Roosevelt born.
- 31—Tu.—1943, German generals surrender at Stalingrad.

OBSERVATION for January:

In a period of rising prices, no man can be sure he's getting continuously adequate coverage unless he has his insurance checked frequently by an expert! Contact your Agent or Broker today!

PROPERTY INSURANCE
Fire-Auto-Marine-Aviation

FIRE ASSOCIATION GROUP

Fire Association of Philadelphia
PHILADELPHIA



Reliance Insurance Company
PENNSYLVANIA

SYMBOL OF SECURITY SINCE 1817

FOR YOUR OWN ADS...

you can lift ideas from this Insurance Calendar ad.

W. J. J. Assis

Effective has been tary by the of direc North B Mercant Common New Y anticipate rectors of vania Fi cantile an land wil him to position forthcom ings. He in charg North group's a wide. This ap nition of record o director c ciated co years he using dep associated operation host of f in produc

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Plan 3

Texas hold thr uary. Di regional Jan. 17; chairman

W. J. Traynor Now Assistant Secretary

Effective Jan. 1, William J. Traynor has been appointed an assistant secretary by the boards of directors of North British & Mercantile and Commonwealth of New York. It is anticipated that directors of Pennsylvania Fire, Mercantile and Home-land will appoint him to a similar position at their forthcoming meetings. He continues in charge of the North British group's advertising activities country-wide.



W. J. Traynor

This appointment is in further recognition of Mr. Traynor's good and long record of achievement as advertising director of North British and its associated companies. For more than 15 years he has been head of the advertising department and in fact has been associated with that phase of company operations since June, 1923. He has a host of friends throughout the country in producer and company ranks.

R. W. Hendricks Retires; Underwriters Laboratories Veteran of 42 Years

R. W. Hendricks, head of hydraulic department of Underwriters Laboratories, has retired after 42 years of service. He has headed the hydraulic department since its establishment in 1922.

Mr. Hendricks has been active for many years in the development of automatic sprinkler systems and associated devices. The hydraulic laboratory which he has developed at the main testing station of Underwriters Laboratories, in Chicago is one of the finest and most complete of its kind.

Mr. Hendricks regularly attended the meetings of the inspection bureaus and has a wide acquaintanceship in inspection departments and insurance companies. He has served as a member on many National Fire Protection Assn. committees and has been a member of American Waterworks Assn. and New England Waterworks Assn.

The hydraulic department will consolidate with the protection department under the general supervision of A. J. Steiner, protection engineer. The hydraulic division of the protection department will be headed by O. L. Robinson, associate engineer.

Recommend Stiff Roofing Underwriting Rules in Wis.

Wisconsin Mutual Tornado Alliance has recommended that member companies writing tornado business in Wisconsin adopt a policy endorsement providing that the company will not be liable for composition shingles unless:

Such roofing is securely and adequately nailed to a sound deck.

In the event that any roof consists of individual or strip composition shingles, each shingle be laid so that no more than four inches is exposed to the weather, unless each shingle is pasted down individually with an asphalt roofing cement manufactured for such purpose.

Such roofing is less than 15 years old.

Plan 3 Texas Regionals

Texas Assn. of Insurance Agents will hold three regional meetings in January. District 11, with George Boyd as regional chairman, will meet at Cisco Jan. 17; district 9, with H. Meadows as chairman, will meet at San Angelo Jan.

18 and District 4, with R. J. Paine as chairman, will meet at Waco Jan. 19.

Speakers include R. E. Rustin, fire actuary, and J. D. Wheeler, workmen's compensation director of the Texas department, and R. V. Ricketts, assistant manager of Texas Automobile Insurance Service Office.

Settle Hartford School Loss

HARTFORD—City Manager Sharpe has announced that the insurance settlement for city-owned property lost in the recent Arsenal school fire will be \$75,120. Among the insurers are Travelers, Scottish Union, London & Lancashire, Hartford Fire, Caledonian, Automobile and Aetna Fire.

The settlement was arranged between Alfred N. Premo, city insurance adviser, and General Adjustment Bureau.

N. C. Taxes, Fees Up 12%

RALEIGH, N. C.—Insurance taxes and fees paid into North Carolina's general fund in 1949 totaled \$5,288,940, an increase of 12% over the previous year.

The department licensed 44,500 agents and adjusters during the year and issued licenses to 568 non-resident brokers.

Furor in Mich. Over State Boiler Bids

LANSING, MICH.—Taking of bids for state boiler insurance stirred a political hornets' nest in Michigan when the low bidder revealed that his agency had found the list of boilers and heating plants to be insured contained 52 locations where boilers either were not in use, had been dismantled or the state no longer occupied the premises.

The list on which 11 bids were taken was prepared by the state department of administration and its head, Robert F. Steadman, who said it was based on specifications supplied by Travelers Indemnity, which had been carrying the risk.

When the bids, all based on uniform rates, were found to vary by nearly \$7,000, Commissioner David A. Forbes was asked to investigate. The low bidder, Walter B. Cary of the Michigan Insurance Agency, Detroit, said an actual check-up had been made of the locations and it had been found that 52 were not insurable, hence permitting a net bid of \$20,889, compared with the high bid of \$27,636. The Cary agency represents Columbia Casualty.

Several investigations have been launched by the state to determine how much had been paid in unnecessary premium charges over the three-year term of the policies just expiring, whether either state officials or Travelers Indemnity had inspected the boilers and heating plants involved, and whether the state could recover premiums paid in instances where no risk was involved. Travelers Indemnity is reported to have carried the state boiler business for some 10 years.

Brokers to Meet Jan. 26

Insurance Brokers Assn. of Massachusetts will conduct an all-day working meeting on Jan. 26 at Boston.

Hearings Resume Jan. 9

NEW YORK—Hearings in the appeal of America Fore and others from the New York department's approval of debit-credit rating of multiple location risks will be resumed Jan. 9.

New American H. & L. Offices

American Hospital & Life has opened an office at El Paso in charge of Robert Gowens, formerly with Great American Reserve, and one at Nashville with Claude E. Vickers, formerly assistant manager of Atlantic Life, in charge.

How to dispense with a headache!



For some people a headache powder will do the trick. For the druggist's business headaches, the Druggist Malpractice and Products Liability insurance policy might be the answer.

Do you think the policy could solve worries like this?

"At the request of a customer, a clerk in my drug store dissolves a patent headache powder in water. The customer drinks the mixture on my premises and immediately becomes ill. Would my Druggist Malpractice and Products Liability insurance cover me in the event I

am held liable for the illness caused by the dispensing of the medicine?"

There are plenty of opportunities for a druggist to make unintentional mistakes—misreading, mismeasuring, mislabeling, misdelivery, mis-selling—with unusual repercussions. Royal-Liverpool agents and a cooperative underwriting and production staff know what a pack of troubles this policy will cure. How about you?

Answer to the quoted question is contained in the Group's current issue of "True or False." Your copy is available on request to our Advertising Department.

CASUALTY • FIRE • MARINE

ROYAL-LIVERPOOL

Group

150 WILLIAM ST., NEW YORK 8, N. Y.

ROYAL INSURANCE COMPANY, LTD. • THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LTD. • AMERICAN & FOREIGN INSURANCE CO. • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • THE NEWARK FIRE INSURANCE CO. • QUEEN INSURANCE COMPANY OF AMERICA • STAR INSURANCE COMPANY OF AMERICA • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD.

EAGLE INDEMNITY COMPANY • GLOBE INDEMNITY COMPANY • ROYAL INDEMNITY COMPANY

Williams P. R. Director of California Agents

W. F. Williams has been appointed to the newly created position of director of public relations of California Assn. of Insurance Agents. He is a 1938 graduate of University of California at Berkeley and also attended the university's law school. He was engaged in personnel and public relations work before the war and after emerging from the army as a lieutenant colonel he joined the California agents association in 1946. He has been secretary of the legislative committee and associate editor of the "California Agency Bulletin."

In connection with the public relations program cooperation with company organizations will be intensified and a speakers bureau will be set up. Pamphlets and other printed material will be prepared.

Fla. Explanation Given

Commissioner Larson of Florida has announced that he had no intention of reflecting on anyone's integrity when he demanded a refund on premiums paid for builders risk insurance on a new state institution near Ocala. He stated he had received a refund of \$7,093 and that the higher rate originally charged

was due to a mistake.

Mr. Larson said he had not intended to reflect in any way on the integrity of J. E. Daniels of Pensacola, who was the countersigning agent, nor the companies involved, nor Florida rating bureau. The higher rate was charged due to incorrect classification of the type of construction involved. At the time the insurance was placed, Mr. Daniels was advised the building to be covered was of brick, ordinary wood joisted construction and was given the correct tentative rate. Later when the building was inspected by the rating bureau, it was determined that the building was of a superior type of construction and the state was entitled to a lower rate.

Mrs. Dalmar Entertains

Mrs. A. M. Dalmar, president of H. Dalmar & Co. agency of Chicago and her son, Hugo Dalmar, Jr., vice-president, entertained many insurance brokers, executives, civic and cultural at their traditional New Year's Day open house in their home in Evanston, Ill.

Special agent Robert F. X. O'Keefe of the FBI at New York will discuss jewelry and merchandise in interstate shipments before the Inland Marine Claims Assn. at a dinner meeting Jan. 10.

American Names Smith to Casualty Supervisor Post

American has appointed Thomas L. Smith as assistant field supervisor in the home office territory. He will aid field supervisors on major casualty problems in the field, and will assist in casualty education of field men.

Mr. Smith began his insurance career in 1935 with Bankers Indemnity as an underwriter and later was assistant superintendent in the burglary, glass and A. & H. department. In 1939 he became a special agent at Cleveland. From 1942 until 1946, he was assistant casualty manager for Indemnity of North America at Cleveland. He returned in 1946 as executive special agent and production manager in the Bankers Indemnity home office.

Named General Adjuster

George H. Savale has been appointed a general adjuster for General Adjustment Bureau in the eastern department with headquarters in New York City. He will handle major losses and reassignments from all parts of the country.

Mr. Savale started as an adjuster with Home after army service in the first war. Later he was with independent adjusting firms in New York 11 years, joining G.A.B. in 1937. In 1940 he was transferred to Pittsburgh, and he returned to New York in 1945 as a senior staff adjuster.

Analyzes Reciprocal Plan

An analysis of the reciprocal plan of insurance in the fire and casualty field is to be distributed to members by Oklahoma Assn. of Insurance Agents.

O'Mahoney Boston Speaker

Senator O'Mahoney of Wyoming on Jan. 10 will address members and guests of Boston Board of Fire Underwriters, on the effects of P. L. 15. Franklin J. Connors is in charge of arrangements.

Agency Marks 60 Years

Schlesinger-Heller agency of Newark is celebrating its 60th anniversary. It has represented Glens Falls 48 years, North America 41, Queen 39 and has been general agent of Maryland Casualty for 35 years.

M. D. Rouble Is Promoted

Maurice D. Rouble, examiner in the California department has been ap-

pointed supervising examiner and assigned to the Los Angeles office as successor to Ray W. Myers, who resigned recently to become vice-president of the newly admitted Beneficial Fire & Casualty.

Mr. Rouble was the examiner who made the examination of the Rhode Island early in 1949. He was the only man who had passed the civil service examination for the position and was the only man certified by the state personnel board.

Little Regional Head

John A. Little has been appointed regional manager for L. & L. & G., Queen, Star and Virginia F. & M. at Boston. He succeeds A. L. Wolfe, who is retiring after 26 years' service. Kenneth Erskine has been named assistant regional manager.

Mr. Little joined Royal-Liverpool at Newark in 1937, after long agency experience. He was transferred in 1944 to the production department at New York. In 1946 he was named Newark manager of Globe Indemnity and in 1947 manager of Eagle and Royal Indemnity as well. Until his recent transfer to Boston, he was treasurer of Casualty Underwriters Assn. of New Jersey.

Mr. Erskine has been with Royal-Liverpool since 1925 at Boston. In 1926 he was appointed manager of the Boston office. He is a past president of Bay State Club.

B. K. Elgin Case Blows Up

B. K. Elgin, Indianapolis local agent, asked to be excused from testifying when the informer's case he filed charging Continental Can Co. with concealing insurance refunds received under wartime cost plus contracts came up in federal court at Indianapolis. The case thereupon was thrown out of court. The Department of Justice previously announced it found no merit in the case and refused to take a hand in it. Elgin charged Continental Can concealed \$770,000 in refunds received under compensation policies covering employees of the Vigo ordnance plant near Terre Haute, Ind. Continental answered that the contract was held by a subsidiary and that all insurance refunds were paid directly to the government.

Clark Shifted to Lansing

Roy W. Clark, former manager at Grand Rapids for the Dearborn National companies of Detroit, has been made manager at Lansing. Thomas P. Broderick, formerly a field man, is Mr. Clark's successor at Grand Rapids.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, Jan. 3, 1950

	Far Div.	Bid	Asked
Aetna Casualty	3.00	91 1/2	95
Aetna Fire	2.20*	61	63
Aetna Life	2.50	76 1/2	78 1/2
American Alliance	1.10*	26	27 1/2
American Auto	2.00	53	Bid
American Casualty	.80	16	17
American (N. J.)	.90	22	23
American Surety	2.50	61 1/2	63 1/2
Boston	2.40	63 1/2	65
Camden Fire	1.15*	22 1/2	23 1/2
Continental Casualty	2.50*	65 1/2	67
Fire Association	2.50	75	76 1/2
Fireman's Fund	2.60	92	94
Firemen's (N. J.)	.60	20	22
Glens Falls	2.20*	52 1/2	54 1/2
Globe & Republic	.50	13	14
Great Amer. Fire	1.30	38	40
Hanover Fire	1.60	34 1/2	36
Hartford Fire	3.00	116	119
Home (N. Y.)	1.60	35	36
Ins. Co. of North Am.	3.50*	132	136
Maryland Casualty	.75*	18 1/2	19 1/2
Mass. Bonding	1.60	30	32
National Casualty	1.50*	30 1/2	32 1/2
National Fire	2.50*	60	62 1/2
Natl. Union Fire	1.40	37 1/2	39 1/2
New Amsterdam Cas.	1.30	39 1/2	41
New Hampshire	2.00	43 1/2	45 1/2
North River	1.20	27 1/2	29
Ohio Casualty	3.00*	100	102
Phoenix, Conn.	1.50*	35	36 1/2
Prov. Wash.	2.50*	104	106
St. Paul F. & M.	1.60	37 1/2	39
Security, Conn.	1.90	47 1/2	49
Springfield F. & M.	1.45	38	39 1/2
Standard Accident	12.00	422	428
Travelers	2.00	62	64
U. S. F. & G.	2.00	62	64
U. S. Fire	2.00	66	68

*Includes extras.

"STILL SMALL VOICE" AMPLIFIED!



Conscience tells every man that sound management of personal finances is essential to the full enjoyment of life. To reinforce the "still, small voice," the Kansas City Life Insurance Company and its aggressive agents throughout the country are scheduling ads like these in scores of publications. It is our hope that this campaign will lead to a fuller appreciation of modern life insurance benefits.

KANSAS CITY LIFE INSURANCE
KANSAS CITY MISSOURI



"GOOD SERVICE IS THE BEST Advertising in THE WORLD"

Your inquiry is invited.

Millers National Insurance Company

Established 1865

Illinois Fire Insurance Company

Established 1876

Home Office:

187 West Jackson Blvd., Chicago, Illinois

Eastern Department:

Philadelphia, Pennsylvania

Pacific Coast Department:

San Francisco, California

Babcock Advance

E. Dayle secretary



C. C. Le... companies and named assi... department.

FTC No Insurance

WASHI... sentatives s... ion has cl... complaints... Inst... plaintiffs to... missioners... is itself i... plaints, wit... case. It is... gating a w... and acciden... FTC off... ment of pu... commission... commission... apparently... Some com... through co... concerned... investigates... Insurance... has jurisdi... regulate... to be cons... meaning "a... lation is no... owing to i... in state d... then the c... it indicat...

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Hearings

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A. A. M

NEW... assistant... office, ha... compensa... the home... He will l... underwri... ously he... rience in... writer, ho

Babcock and Leedy Are Advanced by Travelers

E. Dayle Babcock has been appointed secretary of the compensation and liability department of the Travelers com-



C. C. Leedy



E. D. Babcock

panies and Carleton C. Leedy has been named assistant secretary of the same department, as announced last week.

FTC Now Makes Own Insurance Investigations

WASHINGTON — Insurance representatives say the federal trade commission has changed its policy in handling complaints referring to insurance matters. Instead of referring such complainants to their state insurance commissioners, as it did for years, FTC now is itself investigating insurance complaints, witness the State Farm Mutual case. It is also reported to be investigating a well known mid-western health and accident company.

FTC officials say that before enactment of public law 15, reference to state commissioners was the only way the commission could act. Since then, it apparently feels free to initiate action. Some complaints it has tried to handle through correspondence with companies concerned. In certain instances it investigates.

Insurance representatives say FTC has jurisdiction only where states do not regulate. But this "regulation" appears to be construed by the commission as meaning "adequate" regulation. If regulation is not "adequate," in FTC opinion, owing to insufficient funds or personnel in state departments, or other causes, then the commission will take a hand, it is indicated.

Wells Feted at Retirement

Joseph R. Wells, assistant underwriting manager of Employers Liability, was honored at his retirement at a dinner given in Boston by his friends and associates. He was presented a set of matched golf clubs.

Mr. Wells started with Employers in 1934 in New York and transferred to the home office in 1946 as assistant to the managers. He subsequently became assistant underwriting manager and assistant secretary of American Employers.

Hearings on Cal. "Comp" Changes

Public hearings will be held at San Francisco Jan. 23 and Los Angeles Jan. 26 to consider proposed changes in the workmen's compensation law.

The recommendations, submitted to Commissioner Downey for his approval, include several new classifications, elimination of a number and amending others.

The commissioner reports that if approved the changes will result in an over-all average rate reduction of 5.8%.

A. A. Mannion Advanced

NEW YORK — Adrian A. Mannion, assistant manager of the metropolitan office, has been made manager of the compensation and liability division at the home office of Preferred Accident. He will be responsible for countrywide underwriting of these classes. Previously he had more than 20 years' experience in insurance as agency underwriter, home office underwriter and spe-

cial agent, with Continental Casualty, Commercial Casualty and General Accident.

Davis Succeeds Joyce

William J. Joyce has retired as superintendent of the public official department of New Amsterdam Casualty and is succeeded by Julian B. Davis, Jr., who has been assistant superintendent. Mr. Joyce joined New Amsterdam in 1919 as assistant superintendent of that department and has been superintendent since 1939. Mr. Davis has been with the company since 1933 and has been assistant public official superintendent since 1947.

Finch Atlanta Head

Landrum Finch of Aetna Casualty has been elected president of Atlanta Claims Assn. James A. Kelly, American Casualty, is first vice-president; Joseph H. Coskey, Hardware Mutuals, second vice-president; Ross Ashby, National Surety, secretary. Installation dinner will be held Jan. 21.

D. K. MacDonald, president of D. K. MacDonald & Co., Seattle insurance brokers, has been elected president of Automobile Club of Washington.

Casualty Agents May Meet at Atlanta in March

About eight of the officers and leaders of National Assn. of Casualty & Surety Agents held an informal get together at the Edgewater Beach Hotel, Chicago, and it was decided to investigate the possibility of holding a midyear meeting at Atlanta, probably in March. Charles H. Burras of Joyce & Co., who is now getting about following an operation, resides at the Edgewater Beach and hence was able to meet with the group. For many years he was the secretary of the organization.

Cont. Casualty Move

Stockholders of Continental Casualty at the annual meeting Feb. 1 will vote on the proposal of the directors that the articles of incorporation be amended to expand the underwriting powers to include fire, marine and allied lines.

Noronic Claim Notice

Official notice has been given to persons claiming damage as a result of the Steamship Noronic disaster at Toronto, Sept. 17, that claims must be filed at Cleveland before April 3 or

otherwise be in default. Claimants must also ever appearance and file their answers to the petition of Canada Steamship Lines for exoneration from or limitation of its liability in connection with the disaster.

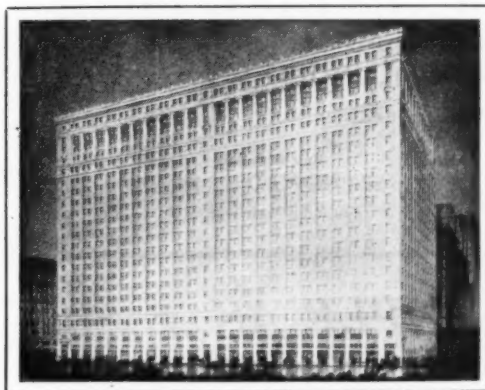
Herring to Trinity Universal as Cincinnati Manager

Arthur S. Herring, formerly district supervisor for U.S.F.&G. at Cincinnati, has been appointed resident manager there by Trinity Universal. He started in the contract bond department of U.S.F.&G.'s home office in Baltimore, later becoming an underwriter. In 1936, he was appointed bonding manager at Cincinnati and was appointed to his previous position in 1940. He served in the navy.

Vernon Companies Hosts

Vernon General and Vernon Casualty & Reinsurance were hosts at a housewarming at their new home office at Indianapolis Wednesday. Buffet lunch was served throughout the afternoon.

National Automobile & Casualty has been licensed to write fire and allied lines in Washington.



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KNOXVILLE TENNESSEE



Liability Rates May Be Cut 16% in N. C.

RALEIGH, N. C.—Proposals to reduce liability insurance rates will be aired at a public hearing on Jan. 17. Commissioner Cheek has announced. The proposed overall reduction averages 16%.

The proposals were made by National Bureau of Casualty Underwriters, whose member companies handle about 40% of the liability insurance business written in North Carolina.

Cheek said that if the reductions are approved, policyholders would save about \$123,000 a year. The savings would be more than doubled if other insurance companies followed the lead of the National Bureau and also reduced their rates, which probably would occur.

Automobile liability insurance would not be affected by the filing.

Reductions proposed were:

Manufacturer's and contractor's bodily injury liability, 16%; owners, landlords and tenants liability, 19.4% for bodily injury and 25% for property damage; owners or contractors protective liability, 25%; contractual liability 25% bodily injury and 33 1/3% property damage for manually rated classifications.

It is the second post-war revision by the National Bureau. The first, effective on Jan. 2, 1947, averaged 25.7%. No increases were proposed in any classifications.

Marin County Assn. Host for 1950 Cal. Convention

Marin County Assn. of Insurance Agents will act as host for the 1950 convention of the California association Oct. 23-25 at San Francisco. There is no agents' organization in the convention city, all property insurance being handled by brokers.

Plans for next summer's institute on advanced agency management are being completed by Laurence Canfield, chairman of the education committee of the California association. It is expected the institute will be held at Stanford University.

The legislative committee of the association has prepared drafts of several bills the organization proposes to sponsor at the 1951 session of the California legislature, including some on workmen's compensation to remedy conditions which the association and others feel are detrimental to employers. Before the bills are finally drafted, however, it is proposed to discuss them with business interests as well as with company organizations.

Loss Men Promoted

J. Raymond Callahan has been made assistant general adjuster for Home at Los Angeles, and Roy B. Johnson is named manager of the loss department at San Francisco.

Mr. Callahan, employed in 1929, was made adjuster at Los Angeles office in 1935, later becoming staff adjuster. In 1946 he was made manager of the loss department there.

Mr. Johnson was employed in 1946 at San Francisco and in 1946, was made adjuster there.

Natl. Auto Club Ups Two

B. Dean Woods has been appointed manager at Fresno, Cal., by National Automobile Club. He was formerly manager of the real estate department of Shepherd, Knapp & Appleton, local agency. T. Michael Bantz has been named in the Hollywood and Santa Monica areas.

Plan Expansion of Sask. Insurer

Saskatchewan Guarantee & Fidelity of Regina will be licensed in Manitoba and British Columbia, according to plans of the Saskatchewan government, which recently acquired control of the com-

pany. The company already is licensed in Alberta and Saskatchewan.

The government states that its intention is to halt the flow of insurance money from western to eastern Canada.

Cal. Questions to Be Aired

California Assn. of Insurance Agents in April or May intends to hold meetings running for two days at each place at Chico, Stockton, San Francisco, Los Angeles, and San Diego to develop substantiated information on the questions of anti-coercion and the state compensation fund. If the data developed indicates need for legislation, bills will be drafted for introduction in 1951.

Coast Editor Dies



CYRUS K. DREW

Cyrus K. Drew, 80, for many years an insurance publication editor, died in a Berkeley Cal. hospital Dec. 26. Mr. Drew started in insurance as a clerk with the New Orleans Board of Fire Underwriters in 1886. In 1896 he went into insurance journalism and until 1902 was managing editor of the "Insurance Herald" and "Insurance Field." In 1902 he joined the "Insurance Report" of Denver, of which he was editor until 1931, when the "Report" was merged with the "Pacific Underwriter" and the name changed to "Western Underwriter." When the latter was sold to "Pacific Insurance" several years ago he retired.

Mr. Drew was the father-in-law of H. C. Edmundson, Pacific coast manager of America Fore.

Ernest B. Lewis, 65, for more than 25 years with General Casualty of Wisconsin, first at Monroe and the last seven years at Madison, since the company moved its home office, died after a heart attack.

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Stress Vital Role of Adjuster in Aired Public Relations

Building good public relations through the field adjuster was discussed by two speakers at the Chicago meeting of the claim section of Conference of Mutual Casualty Companies recently. M. E. Foltz, assistant vice-president of Farm Bureau Mutual Automobile of Ohio, and H. E. Olerich, vice-president and claims manager of Iowa Mutual Liability, in their addresses emphasized the importance of prompt and equitable dealings with the casualty policyholder, and stressed the vital role that the adjuster plays in maintaining the good will of the insured.

Mr. Olerich remarked that the adjuster's assignment is a difficult one. What he does is important, but how he does it is equally important. Only about 20% of the casualty policyholders ever present claims; therefore, the service to this one out of five clients must be exceptionally good if it is to prove the rule that insurance is a good thing to have in time of trouble.

Reassure the Policyholder

The meeting of the adjuster and the public is of importance to the company, but Mr. Olerich added that it is even of greater importance to the policyholder. It costs the company nothing to reassure the claimant that his problem is worthy and deserving of careful consideration. It is not a breach of trust to a company for an adjuster to feel and show a sympathetic attitude.

In laying down a criterion for the adjuster to follow, Mr. Olerich urged an approach with an open mind. That might often mean taking issue with the insured when his story is preposterous or even impossible. It is the adjuster's duty to believe the claimant's story as against the insured in these circumstances, but the adjuster is under obligation to go out of his way to express clearly to all parties that he is sincere in his attitude.

Promptness in handling claims can make for better adjustments and better good-will, Mr. Olerich said. If the assignment requires contacting witnesses, those witnesses should be gotten in touch with immediately. This can insure a more accurate story, and the average witness will feel more kindly toward the adjuster for having been contacted while the facts are still fresh in his mind. If the assignment calls for a payment, it costs no more to make such payment promptly. There should be no deviation from the rule that where the insured is solely responsible for an accident, the company should pay 100% of the reasonable value of the claim in short order. There is no legal or ethical basis for a compromise or delay in these cases.

Where liability must be denied, less resentment will be aroused if the denial is made as soon as the facts are known. Building up false hopes may perhaps be one of the worst public relations practices the adjuster can achieve.

Mr. Olerich said that he regards denial of claims an easier task than compromise. Most claimants in the compromise group sincerely but incorrectly feel that they should be paid in full. Others have a suspicion that their claim is not too good, and they are loud in proclaiming their demands in the expectation of compromise. They feel that it costs nothing to ask.

If the case reaches the litigation stage, Mr. Olerich said the companies must recognize a special obligation to the policyholder over and above the legal obligation to defend him to the policy limits. For public relations purposes, he is deserving of special treatment.

While all companies follow the common practice of acknowledging to the policyholder receipt of papers commencing litigation and advise him of the right to procure personal counsel if the suit is for an amount in excess of the policy, Mr. Olerich averred that he

doubts that the companies have then gone far enough.

He urged the calling in of the adjuster at this point as a person already acquainted with the insured. The adjuster should have a personal discussion with the policyholder to relieve him of any unnecessary anxiety because of the litigation. A competent adjuster could make the policyholder realize that he is backed by an organization of experts and he could be reassured that the company's position is that of refusing to meet unreasonable demands. The "good faith" required on the part of any representative of the company must always be kept in mind to guard against liability for excess verdicts.

M. E. FOLTZ' REMARKS

Delivery of the policy by the agent is only a small start in building a satisfied policyholder, Mr. Foltz said. For the great majority of insured, the company must depend on its agency force for maintaining good relations over the period of years until a claim arises. Mr. Foltz recommended that every agent call on his policyholders at least twice a year, if only as a courtesy measure.

Many of these calls will result in sales of additional insurance but more important, the agent will be giving the policyholder an opportunity to ask questions, or to discover whether his policies still continue to cover his needs. The company occasionally can send informative literature to its insured as part of the job of institutional selling.

Using Insured's Money to Pay

When the claim arises, Mr. Foltz emphasized that the company must start with the premise that the policyholder puts up the money to pay losses and expenses. He is in the driver's seat and deserves every courtesy, together with his rights under the policy.

Automobile property damage and bodily injury coverages must be thoroughly explained. If there is liability, the insured must understand the company will pay if there is liability and will defend in court if there is none.

Claims under medical expense are the best under which to build good-will, Mr. Foltz observed. The coverage is broad and probably 99% of the claims under it are legitimate. The policyholder and his guests are happy to have bills paid without question, and by taking up this coverage first the adjuster can often pave

the way for a friendly and satisfactory settlement of B.I. injuries arising from the same accident.

The adjuster is inclined to forget that practically no policyholders have any understanding of their coverage. They know very little about their rights and are not sure what they are due in the way of settlement. Mr. Foltz recommended that the adjuster assume from the start that more than 95% of the insured are basically honest and only want what is coming to them. The reason so many take a defensive attitude, he said, is that they do not like to admit their ignorance on the question of insurance and try to cover it up by making unreasonable demands. This is where the salesmanship of the adjuster comes into play.

Mr. Foltz urged that no adjuster, either directly or by inference, run down another company or any of its men. By so doing, he is raising a question in the policyholder's mind against all insurance, and indirectly, raising that same question about his own company.

Youngstown (O.) Assn. of Insurance Agents has elected D. Henry Gwilliam president; Howard Hewitt, vice-president.

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Mo. Superintendent

C. Lawrence Leggett, the new Missouri insurance superintendent, before his appointment had been an examiner in the department for about 10 years. He worked under Governor Smith in the state auditor's office from 1933 to 1937 when the present governor was state auditor. He then joined the insurance department as an examiner and continued in that capacity until 1944 when he resigned to become auditor for a Kansas City insurance company. Subsequently he returned to the department and has been on the staff of examiners since that time.

Mr. Leggett is the first man ever selected for superintendent directly from the working personnel of the department, and he is essentially a "career man."



Merger Is Effective

The merger of Western National and Home F. & M., subsidiaries of Fireman's Fund, became effective Dec. 31. Home F. & M. will assume all liabilities and assets of Western National and will be the surviving corporation.

S. W. Griffin Manager

Stanley W. Griffin, for some time acting manager for the Employers group at Cedar Rapids, Ia., has been appointed eastern Iowa branch manager. He has been with Employers 12 years and is well known in Iowa.

Aetna Life Ups Pay

The Aetna Life companies have voted extra pay to 8,600 employees ranging from 3% of annual earnings for those with 10 years or more service up to a maximum of \$500 a year for any one person.

Beasley to Firemen's

Jim Beasley, who has been with the King agency at Lexington, Ky., has become special agent in Kentucky for Firemen's, filling the vacancy caused by the death of Roger B. Martin. Beasley was formerly in the field for National Fire, and came up through Kentucky Inspection Bureau.

Rainville in New Canadian Post

Charles A. Rainville has been appointed claims superintendent in Canada for United National Indemnity. He previously was claims superintendent for U. S. F. & G. in eastern Canada.

American has transferred Special Agent G. Wesley Mantz to eastern Tennessee with headquarters in the Commercial National Bank building, Knoxville. For two years he has been at Nashville.

I. J. Maurer, treasurer of Farmers Mutual Auto of Madison, Wis., was presented a watch in recognition of 20 years with the company. The presentation was made at a Christmas party attended by nearly 300.

Massachusetts Protective and Paul Revere Life named Leo S. Holmes as general agent at Cedar Rapids. Mr. Holmes has been with Connecticut General at Cedar Rapids since 1944.

George B. Williams has joined his son, Paul Williams, in the A. L. Williams agency at Mansfield, O.

Mrs. Ruth M. Hurst is planning to take over the Frank R. Hurst agency at New Philadelphia, O., following the death of her husband. She had charge of the agency while her husband was in service.

T. Russell Rooney, formerly with the Fire Insurance Rating Office at Columbia, S. C., and more recently manager of the insurance department of C. Wilnot Brown, has opened his own agency, with offices in the Arcade building.

Hospitalization Rate Paid for Confinement at Home

Hospitalization payment for home confinement is the unusual provision of the new group plan of the Electrical Insurance Trustees, an organization of Chicago electrical construction employers written through Occidental of California. The plan provides \$8 a day hospital room and board for the employee and his wife and the same amount at home if a nurse is in attendance and a written affidavit is furnished from the attending physician that the claimant's illness or injury is serious enough to warrant hospital confinement. The physician also gives his opinion as to the number of days confinement will be necessary. Daily home and hospital benefits are payable for 100 days.

Mention McCormack for N.A.I.C. Chicago Post

James M. McCormack, former Tennessee commissioner and former president of National Assn. of Insurance Commissioners, who is now doing examination work for the Mississippi department, is being prominently mentioned as a possibility for selection as assistant secretary of N.A.I.C. at the new headquarters office at Chicago. He has several strong boosters and it is understood he is being given serious consideration.

DeWitt Meyers Promoted

Boston has appointed DeWitt A. Meyers as an assistant manager in the western department at Lansing. He started in insurance in 1926 and has been a map clerk, improved risk examiner, risk inspector, rate inspector and rate engineer. As a field man he represented Boston in eastern Pennsylvania and lately in Maryland and District of Columbia.

Ed C. Knoop, for 31 years state agent in Kentucky for Aetna Fire, has been ill at a hospital in Louisville.

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Ritter General Agency

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KENTUCKY

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Starks Building
Louisville 2, Kentucky

Royal M. Office; F

The Nashville Liverpool 2120 W. E. avenue.

Headquarters combined casualty office in Kentucky Tennessee office is under supervision of D. F. regional The office moved away Nashville's town business district and former converted building policy written production office, to be located there

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Royal Moves Nashville Office; Forrester in Charge

The Nashville regional office of Royal-Liverpool group has been moved to 2120 West End avenue.

Headquarters for combined fire and casualty operations in Kentucky and Tennessee, the office is under the supervision of Hilary D. Forrester, regional manager. The office has been moved away from Nashville's downtown business district and into a former mansion, converted into an office building. Occupied exclusively by Royal, the new building will house the underwriting, policy writing, engineering, audit and production departments. A claims office, to be opened soon, will also be located there.



H. D. Forrester

Gets New Duties With Home

Lester C. Gifford, assistant secretary of Home, has been made supervising head of the agency record department and the credit division of the agency record department. Mr. Gifford will be assisted by Frederick C. Vogsberger, supervisor, and Edwin W. Carlson, assistant supervisor.

Resolute Promotes Two

Gerald Meyerson, superintendent of subrogation for Resolute Fire, and Emma Dovin, chief statistician, have been promoted to assistant secretaries. Mr. Meyerson has been with Resolute since 1948. He received his LL.B. and his LL.D. at Duke. He served with the army air force and later with the judge

advocate general's department at Wiesbaden, Germany. He is a member of the bar in Connecticut, New York, and South Carolina.

Emma Dovin has been with Resolute seven years. She formerly was with International Business Machines at Hartford and before that with Travelers.

Instructors Named for Portland Casualty Course

The insurance study class, sponsored by Portland (Ore.) Assn. of Insurance Agents, will begin the casualty section Jan. 6.

Instructors and subjects are as follows: Automobile insurance, H. S. Hays, Pownall, Taylor & Hays; public liability, Phil Carrell, American-Associated; aviation, G. F. Jacobson, Edward Brown & Sons; A. & H., H. W. Esplund, London & Lancashire; compensation, J. R. Arnold, Gerlinger, Richards & Co.; burglary, C. P. Maas, American-Associated; fidelity and surety, J. E. McGinty, Rathbone, King & Seeley; steam boiler and machinery, Stephen Dodds, Cole, Clark & Cunningham; meeting competition, W. C. Schuppel, Standard of Oregon.

Seven Join Old Guard

Seven new members have been added to the San Francisco chapter of the America Fore Old Guard. They are Mae F. Brown, Mrs. Victoria Clark, Mrs. Bernice A. Krona, A. L. Culliver, R. L. Jardine, R. C. Malm and Charles A. Pinkus.

H. Clyde Edmundson, vice-president, presented credentials to the new members at the annual dinner of the chapter.

No Bond for City Store

ST. PAUL—Liability bonds are not required for municipal liquor stores, the Minnesota supreme court has held.

The court said it would be absurd to require such bonds because in effect it would make the town bond itself to enforce compliance with conditions it set up itself.

The town of Tower was sued for \$20,000 by Richard Stabs for injuries he claimed he suffered when sold liquor in the municipal store. Stabs contended the town violated the law requiring liquor stores to post bonds.

Names H. F. Ahmanson, Inc.

LOS ANGELES—H. F. Ahmanson, Inc., has been named underwriting manager for California by Associated Underwriters of Pacific National Fire.

Joy for L.A. President

The nominating committee of Insurance Assn. of Los Angeles has selected the following slate of officers for election at the annual meeting, Jan. 10: President, Van F. Joy; vice-president, James P. Bennett.

Sues Bolivian Pilot

A \$500,000 damage action has been filed in federal court at Washington by Eastern Air Lines against Erick Rios Bridoux, Bolivian pilot, for "recklessly" ramming the Eastern's DC-4 at Washington airport Nov. 1—the accident that cost 55 lives. The only claim against Bridoux is for loss of the plane. Eastern denied liability for the accident.

B. P. Longino, who has been with Citizens Bank of Hapeville, Ga., has acquired an interest in the Longino & Smith agency at College Park, Ga., and has become a vice-president of that agency. He is the son of the late George F. Longino, Sr., who founded the agency in 1910. He attended University of Georgia and is a war veteran.

Nebraska Fire Prevention Assn. will conduct an inspection of Beatrice, Jan. 25-26 and of Superior, Feb. 15.

Estimate 15% Increase in Canadian Auto Premiums

Automobile premiums in Canada for 1949 will total about \$66 million, according to estimates of Canadian superintendent R. W. Warwick. The increase is about 15% over the premiums of 1948. Mr. Warwick attributes part of the premium rise to the rate increase which became effective Jan. 1, 1949, and the increased number of automobiles in use. Financial responsibility laws in most of the provinces have increased the number of insured.

Canadian hail premiums, the commissioner estimates, will total about \$4,900,000, approximately the same as the previous year. The loss ratio will be about 31%, an increase of four points.

Donald E. Bryant, who has joined Excess Management Corp., as vice-president and who will assist Vincent Cul-



Donald E. Bryant

len in operating the new 18-company casualty reinsurance setup that has been perfected, began his career in insurance with General Reinsurance 20 years ago. He was assistant secretary doing contact and production work at the time of his resignation to go with the new organization. In that period he acquired a broad background in all phases of casualty and surety reinsurance. He was educated at St. Johns University where he received four degrees of bachelor of science in economics and bachelor of laws. He is a member of the New York bar and of American Bar Assn.

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NEWS OF FIELD MEN

Nat'l Union Adds to Field Staff

National Union Fire has appointed Robert M. Knowles state agent for Maine and New Hampshire with headquarters at 41 Exchange Street, Portland, succeeding E. D. MacDonald who is retiring due to ill health. Mr. Knowles has been with the company at Boston for three years and formerly was connected with a general agency there.

Harry P. Steele has been appointed special agent to be associated with State Agent Whitney at Boston. Previously he was connected with a rating bureau and a general agency.

Arthur R. Goodall is appointed state agent for Illinois outside of Cook county with headquarters at Decatur. He has been in the Illinois field for Phoenix of Hartford.

Clarence E. Grundish is appointed marine special agent to be associated with State Agent Jones at St. Louis. He has been connected with the com-

pany at the home office in various capacities, more recently in the inland marine department.

H. E. Schwenke is appointed special agent in Wisconsin to assist State Agent Lossman at Milwaukee. Except for two years in military service he has been at the head office since 1942.

Kamrar Appointed Loyalty Secretary; Others Upped

James J. Kamrar, district manager for Loyalty group at San Diego, has been transferred to the Pacific department as secretary of all companies. Maxwell A. Booth has been appointed to succeed Mr. Kamrar at San Diego. Mr. Booth has been special agent in the San Joaquin Valley, and will be succeeded there by Willard L. Ford, formerly San Diego special agent.

Mr. Kamrar has been with Loyalty group since 1928, starting as an underwriter at Portland, Ore. He went to San Diego in 1948. Mr. Booth joined the group in 1937 at San Francisco. He is an army veteran. Mr. Ford has been

with the group for two years, previously having been a local agent.

Pacific department has recently been enlarged by 5,000 square feet of floor space.

Lininger Retiring, Hunt Named to Okla. Post

Herbert K. Lininger, state agent in central and southern Oklahoma for Springfield F. & M., has requested transfer to the inactive list because of ill health, and Dudley G. Hunt, Jr., has been appointed to succeed him. Mr. Hunt has been a special agent in the territory and he will continue to be assisted by Ansel A. Love, Jr., with offices in the Midwest building, Oklahoma City.

George M. Woods is supervisor for northeastern Oklahoma and the northwestern part of the state is in charge of Edwin H. Duncan.

Knoop Retires; E. C. Hill Ky. State Agent of Aetna

Aetna Fire has appointed Emerson C. Hill as Kentucky state agent, succeeding E. C. Knoop, who is being retained on the state agency staff as a consultant. Mr. Knoop has served Aetna in Kentucky for more than 30 years.

Mr. Hill has been employed as a special agent in Kentucky for more than 20 years.

Atlas Names Elder in Iowa

Atlas has appointed Stewart W. Elder as special agent in Iowa with headquarters at Des Moines. Mr. Elder has been with Iowa Inspection Bureau.

Prior to Mr. Elder's appointment, Atlas was represented in Iowa by Midstate Underwriters, which has withdrawn from the state.

Schwenke to Wis. Field

H. E. Schwenke, Jr. has been named special agent in Wisconsin for National Union to assist State Agent J. R. Lossman. Mr. Schwenke has been with National Union since 1942 as a home office underwriter except for service in the navy.

Project Fire Prevention Assn.

State Fire Marshal Flanders will attend the January meeting of Bay State Club when that group puts into organization form the Bay State Fire Prevention Assn. on Jan. 9 at Boston. Also present will be Fred Doremus, manager of Eastern Underwriters Assn.

J. Ray Hull, most loyal grand gander of Blue Goose, will visit the Tennessee Pond Jan. 20 and will be entertained by the past most loyal ganders at a dinner at the Richland Golf Club. Mrs. Hull will be honored by the ladies auxiliary.

COMPANIES

Boost Capital and Surplus of Southwestern F. & C.

Southwestern Fire & Casualty of Dallas has increased its capital to \$500,000 and its surplus from the original \$500,000 to \$1 million by the issuance of 25,000 shares of stock at a \$10 par and a \$30 sale price.

This transaction was handled by the firm of T. A. Manning & Sons, and no expense to the company was involved.

New Conn. Company Starts; F. P. Stanley Is President

HARTFORD—A new company, Fire & Casualty of Connecticut, with \$250,000 paid-in capital and \$250,000 cash surplus, has started business. It received its license Dec. 29. It is writing auto-

mobile fire, theft and collision insurance. The home office is at 130 Allyn street.

President is F. P. Stanley, who began with Travelers and later organized Glens Falls Indemnity.

The new company was chartered originally as Torrington Plate Glass, and confined its writings to plate glass. Several years ago the corporate title was changed and the charter broadened to permit writing of fire and casualty lines. E. Clayton Gengras of Gengras Motors and associates recently acquired the charter and organized the new company.

Buffalo Has Extra Dividend

Buffalo has declared an extra dividend of \$1 a share and a regular quarterly dividend of \$3. The payment brought the 1949 dividend total to \$13. It paid \$12 in 1948.

Miss. Department Moves

The Mississippi insurance department, fire marshal unit and rating division are now established in handsome offices in the new state office building at Jackson. The workmen's compensation department is still at the old location.

C.P.C.U. Courses to Start Jan. 25

Lubbock (Tex.) Insurance Exchange is again sponsoring courses at Texas Technological College preparatory for C.P.C.U. examinations. The spring term will start Jan. 25.



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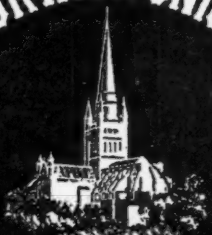
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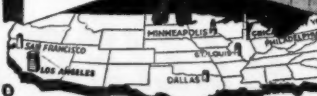
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HALIFAX MOVES OFFICE

Halifax has moved its New York head office from 59 John street to 17 John street, where it will occupy the 14th and 15th floors. Halifax now does business in most states. George E. Scaff is U. S. manager.

SCHOEPLER STAFF ADJUSTER

Robert H. Schoeppler, formerly supervisor in the loss department, has been appointed staff adjuster of the North British group. He will primarily handle adjustment of Brooklyn losses previously serviced by the late George W. Braun. All 14 of Mr. Schoeppler's years of service with the group have been devoted to loss work.

TO DISCUSS ERRORS, OMISSIONS

Harold Flegenheimer, broker, will discuss errors and omissions insurance at the Thursday luncheon of Brooklyn Brokers Assn.

SAVINGS BANKS FORUM MEETS

Several savings banks have received policies covering New York properties from companies not licensed in the state. Paul Smith, American Savings Bank, chairman of Savings Banks Insurance Forum of New York, said at the final meeting of the year. The insurance department wants to know of such policies.

George Slayback of Brooklyn Savings Bank announced the annual upstate meeting will be held at Hotel Ten Eyck, Albany, April 21. Miss Esther Hite of Albany Savings Bank is handling arrangements as chairman of the upstate group.

W. K. Boger, Jr., manager of the group disability department of Hartford Accident, will speak at the meeting Jan. 12.

CHICAGO

REPLACE EXCHANGE ELEVATORS

Work has begun to replace the elevators on the Jackson boulevard side of the Insurance Exchange building with Otis autotronic elevators of the latest design. When the installation has been completed about 10 months hence, the north lobby and entrance will be remodeled.

Convention Dates

March 6, Pittsburgh Insurance Day, William Penn Hotel.

March 12-14, National Assn. of Insurance Agents Eastern Territorial Conference, Copley Plaza Hotel, Boston.

March 16-17, Minnesota Agents, mid-year, St. Paul Hotel, St. Paul.

March 16-18, National Assn. of Insurance Agents, Southern Territorial Conference, Buena Vista Hotel, Biloxi, Miss.

March 20-21, National Assn. of Surety Bond Producers, Waldorf-Astoria, New York.

March 24-25, National Assn. of Insurance Agents, Rocky Mountain Territorial Conference, Broadmoor Hotel, Colorado Springs.

March 27-30, Midwest territorial conference of N.A.I.A. and N.A.L.A. National State Directors, Statler Hotel, St. Louis.

April 17-18, National Assn. of Insurance Agents, Far West Agents Conference, St. Francis Hotel, San Francisco.

May 3-5, Iowa Assn. of Insurance Agents, annual, Sioux City.

May 8-10, American Assn. of Managing General Agents, annual, Edgewater Gulf Hotel, Edgewater Park, Miss.

May 15-17, National Assn. of Mutual Insurance Agents, midyear, Cavalier Hotel, Virginia Beach.

May 15-18, National Fire Protection Assn., annual, Atlantic City.

June 15-17, New England Assn. of Insurance Agents, Poland Spring Hotel, Poland Spring, Me.

May 22-24, American Management Assn., insurance section, Hotel Statler, New York.

June 5-7, H. & A. Underwriters Con-

ference, annual, Hotel Statler, New York.

June 12-16, National Assn. of Insurance Commissioners, annual, Quebec.

June 25-28, International Assn. of A. & H. Underwriters, annual, Detroit.

Sept. 25-27, Bureau of A. & H. Underwriters, annual, Sky Top Manor, Poconos, Stroudsburg, Pa.

Oct. 2-5, National Assn. of Insurance Agents, annual, Stevens Hotel, Chicago.

Oct. 24-25, Massachusetts Agents, annual, Springfield.

Oct. 16-18, National Assn. of Mutual Insurance Agents, annual, Hotel Statler, N. Y.

Oct. 23-25, California Agents, annual, Fairmont and Mark Hopkins hotels, San Francisco.

Oct. 25-27, Kansas Agents, annual, Broadview Hotel, Wichita.

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EDITORIAL COMMENT

The Real McCoy

For 1949 annual statement purposes the value of stocks and unamortizable bonds are based on the last sales of listed securities last Saturday morning, Dec. 31. For the past several years the values have been taken as of Dec. 1, the earlier date having been permitted originally as a war emergency matter by the commissioners. That gave the companies an opportunity to stagger the work and avoid some of the last minute rush early in the new year. But N. A. I. C. last June decided the emergency was over and that state regulation might be subject to criticism if it continued to permit the securities inventory to be struck off at other than when the closing bell sounded prior to New Years eve.

As it turned out the Dec. 31 values of stocks on the average were just a hair below the highest point of the year, the Dow-Jones industrial average being 200.13. The 1949 peak was the day before when the average was 200.32. On Dec. 1, the figure was 192.74. The lowest average for the year was 163. The bond averages likewise surged forward at year end, with second grade rails coming strongly into favor in the closing days of the year. That means that the published surpluses of the insurance companies will be considerably higher this year than they would have been had the standard of previous years been applicable.

With but a few isolated exceptions the securities valuation date has not been a vital matter for the companies since the depression days when an averaging system wisely was allowed to avoid technical impairment for a sizable number of institutions. Many companies have followed the practice of publishing the figures on the commissioners basis

but with a footnote stating the effect on assets and surplus of taking Dec. 31 market values. At least we will now be spared that extra complication and that will be a boon to us publishers when the flood of statement figures descend on us to be reported. But it might well be pointed out that there is nothing hallowed about the prices at which securities are traded on the last day of the year. Dec. 31 was decidedly atypical of 1949 in that respect. It was a Saturday—a short trading day and a day when investors and spectators were sleeping late, and the prices were at an extreme for the year.

A 100 share trade on that day, however, may determine what tens of thousands of shares of the same security are to be entered at in insurance company portfolios. For instance, one of the great insurance company favorites is International Business Machines and yet last Saturday there was traded only 400 shares of I. B. M. That comparatively insignificant transaction affected the asset and surplus figures of dozens of the biggest insurance companies.

Also towards the end of the year there are always unusual factors in the market. There are tax and wash transactions that may affect the quotations, but that do not represent an evaluation of the merit or current worth of a particular security. Too, the year generally closes on a bulge.

From the standpoint of arriving at a realistic appraisal of the value of securities a good deal might be said for Dec. 1. We are not advocating a restoration of that measure, however. Dec. 31 will always be regarded as the real McCoy. So leave us bust no idols. Let Dec. 31 be IT.

The Agent Is Here to Stay

Every now and then we hear someone express his views claiming that the local agency system is on the decline and eventually may disappear entirely. We certainly do not share such an opinion. The local agents have become a permanent factor in the business. They are the men who come in contact with their own communities, with their assured and the latter look to them for safe and sound insurance counsel. The agent who masters his calling finds out and diagnoses the insured's needs and can then sincerely and successfully work out an insurance program that will give him secure protection.

The policyholders are too close to

their agents to allow them to pass into the shadows.

We have had during recent years very striking evidence of the value of agents. It was during this time that values started upward and went to high levels. Property owners knew that this was the case. They saw much in the papers about values being increased, but very few voluntarily sought to increase their insurance in order to give them fuller protection. In spite of the publicity that was given to property value increases, owners did not take action to protect their holdings. It was the agent who called attention of his insured to the situation. He brought it to the

mind of the premium payers, showed them to what danger they were exposed and what their duty was. It took the visit of the agent to convince the insured that he should do his duty. It is often the case that a property owner

will neglect to do the needful although he is mindful of what he should do. It takes the human knowledge and emphasis of the agent to start his mind working and to put into effect what would otherwise be a vague impulse.

Cultivation of One's Personality

Some people may think that their personality is set so that it cannot be changed. They take it for granted that personality is native and not acquired. Undoubtedly there is much in inheritance when it comes to personality. There are some people, who from the

very beginning radiate sunshine and good will. However, personality can be cultivated and trained. If one, therefore, finds he does not possess the sort of characteristics that make an agreeable personality, he has the opportunity to do some pruning and cultivating.

PERSONAL SIDE OF THE BUSINESS

Commissioner J. Edwin Larson of Florida has been designated by the supreme council of Scottish Rite Masonry, to be invested with the rank and decoration of Knight Commander of the Court of Honor of Scottish Rite Masonry.

Curtis W. Pierce, president of Factory Insurance Assn., celebrated the completion of 50 years in fire insurance work on Jan. 2, 1950. He started as draftsman in the inspection department of the factory mutuals at Boston. In 1911, Mr. Pierce joined Continental, where he advanced to the rank of vice-president in charge of engineering. He became president of F.I.A. in 1942.

Louis W. Button of Rocky Hill, Conn., who celebrates his 45th anniversary as a town official on Jan. 5, is also starting his second half-century as an insurance agent. His son Richard will be associated with him in the agency. Mr. Button, whose family settled in Connecticut about 1712, traces his ancestry back to Peregrine White, the first child born on the Mayflower.

Eugene N. Houck, local agent at Lansing, Mich., has been named to direct the annual march of dimes campaign in Ingham county. He served in an advisory capacity during last year's drive and has headed the county organization for some time.

Elmer Kinker, Cincinnati local agent, has announced the engagement of his daughter, Marion Louise, to J. Henry Brems of Detroit.

E. A. Lerner, U. S. manager of Employers' Liability, is on a Pacific Coast business trip.

David P. Shand, one of the senior executives of Marsh & McLennan at Chicago, is enroute by sea with Mrs. Shand for a three month vacation trip to Japan, Hongkong and Hawaii.

DEATHS

R. J. Wickersham, 61, retired resident vice-president at Minneapolis for Marsh & McLennan, died. Mr. Wickersham retired in 1948 because of ill health after 35 years with Marsh & McLennan. He started at Chicago in the engineering department, and was transferred to

Minneapolis in 1916 in charge of fire engineering. He was named resident vice-president in 1934.

James J. Allen, 81, president of the McKinney & Allen agency of Sioux Falls, S. D., and a prominent local agent of 64 years' experience, died at Sioux Falls. Mr. Allen had reported at the office daily despite his advanced age.

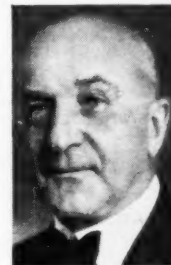
Mr. Allen was a leader in his community for many years and his agency is one of the well known enterprises of Sioux Falls. His son, Jay B. Allen, is vice-president of the agency. Mr. Allen was born in East Smithfield, Pa. He settled in Sioux Falls, then Dakota territory, in 1885 and became associated with the late C. E. McKinney in the insurance and investment business at the age of 17.

On the occasion of his 70th birthday, Mr. Allen was signally honored at a testimonial banquet attended by about 70 guests representing the city, state, and insurance companies from Chicago and the east.

Frederick L. Sheely, superintendent of casualty underwriting at Los Angeles of Aetna Casualty, died after a short illness. Starting in 1914, he was with National Bureau of Casualty & Surety Underwriters stationed at Minneapolis, Des Moines and Chicago; became casualty manager for Wheeler & Welpton, Omaha, in 1917, and casualty manager for Iowa Bonding of Des Moines in 1918. He went with Aetna Casualty in 1922 at Des Moines, and also served at Chicago before going to Los Angeles.

C. R. Cleaver, manager of the group A. & H. department of United Pacific, died at Seattle after a year's illness. He had been away from the office for three months.

Mr. Cleaver joined United Pacific in 1929 and organized its group department. Under his management the department has grown to a premium volume in excess of \$850,000. He was a past president of Seattle A. & H. Man-



J. J. Allen

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agers Club, and prominent in group activities of H. & A. Underwriters Conference.

Ezra M. Sparlin, local agent at Rochester, N. Y., died at the age of 89. He was one of the founders of the Hotchkiss-Sparlin agency with the late James L. Hotchkiss. In addition to



EZRA M. SPARLIN

being active for many years in the New York Assn. of Insurance Agents he also was chairman of the membership committee of the National association for a number of years.

G. Russell Ladd, senior partner of the Thames & Batre local agency of Mobile, Ala., was fatally stricken with a heart attack while driving his car in downtown Mobile. His age was 68. He was a director of Merchants National Bank of Mobile and Waterman Steamship Corp.

W. Emmert Swigart, who died recently at Huntingdon, Pa., at the age of 66, not only was president of Swigart Associates, a large general agency, and president of three insurance companies—Mutual Benefit Fire, Select Risk Mutual Fire, and Mutual Benefit Casualty, but he was also president of Huntingdon Savings & Loan Assn., and was a director in Harleysville Mutual Casualty, Mutual Auto Fire of Harleysville, American Casualty, American Aviation & General, Penn Mutual Fire of Westchester and of First National Bank of Alexandria, Pa.

He had organized General Finance Service Corp., Budget Plan, Inc. and Keystone Consumer Discount Co. He had served as president of National Assn. of Mutual Insurance Agents in 1946 and was a director at the time of his death. He was also president of National Assn. of Mutual General Agents. He was a director of Pennsylvania German Society and had been treasurer of Huntingdon County Tuberculosis Society. He had been a trustee

of Juniata college and was former president of its alumni association.

Mr. Swigart started in the insurance business in 1906, working in the office of L. J. Miller. In the next year he, and the late John W. Harshbarger formed an insurance partnership. In 1932 Mr. Swigart took over all the fire and casualty business and Mr. Harshbarger devoted himself to life insurance.

In 1934 he purchased the former Corry Mutual Fire and changed the name to Mutual Benefit Fire and later bought the former Somerset Mutual Fire, changing the name to Select Risk Mutual. Last year he chartered Mutual Benefit Casualty. He was a great collector, being especially famed for his collection of some 100 antique automobiles.

Two of Mr. Swigart's sons were associated with him in the business, they being John W. and William E. Swigart, Jr.

John Patterson, 72, who had just resigned as vice-president of Great Northern Life in view of its merger with Washington National, died at his home at Wilmette, Ill. He had been active in the A. & H. field since 1901, when he joined the old U. S. Health & Accident of Saginaw, Mich., advancing to assistant manager of the claim department. He went to Standard Accident in 1906 as assistant manager of its industrial department, becoming head of that department. He returned to Saginaw in 1919 to become resident vice-president of Massachusetts Bonding, which had taken over the "old U. S." and maintained the headquarters of its A. & H. department at Saginaw.

He went to the home office in 1926



JOHN PATTERSON

when the department was moved to Boston, but resigned in 1928 and purchased control of Midland Casualty of Milwaukee. When it was merged with Great Northern in 1933 he became vice-president of the latter company in charge of its monthly premium A. & H. department and has continued in that post since that time. He served as president of H. & A. Underwriters Conference in 1926.

George R. Stull, 61, local agent at Pittsford, N. Y., for 28 years, died there.

Guy E. Rolien, 50, local agent at Milaca, Minn., died of a heart attack at his home. He at one time was chairman of the rural agents committee of National Assn. of Insurance Agents.

Samuel J. Howell, 61, head of the E. E. Howell & Son local agency of Omaha, was seriously injured by a hit and run driver as he was walking on the street. He died two days later. He served as chairman of Omaha Housing Authority and in the legislature.

Arthur T. Elmore, 28, of the G. Elmore & Co. Agency died at home. He was a graduate of Southern Methodist University and was a C.P.C.U.

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STATISTICIANS, ACTUARIES

Take Look at A. & H.; Few
Figures in Personal Field

NEW YORK — More exposure information is needed in the field of Blue Cross and Blue Shield, Mark Kormes, consulting actuary, New York, said at the joint session of American Statistical Assn. and American Assn. of University Teachers of Insurance here. He added that he hoped that the argument would not prevail that because this is social insurance that added cost should not be undertaken. The expense of gathering such information is small over the years and is well worth the money.

Raymond Killion, Metropolitan Life, presided. William R. Williamson, consulting actuary, discussed Mr. Kormes' paper. Gordon Streeter, Aetna Life, spoke on accident and health statistics, and Thomas O. Carlson, National Bureau of Casualty Underwriters, casualty statistics. The latter was reviewed by Arthur L. Bailey of the New York department.

Some Charges Out of Line

Mr. Kormes presented some of the results of statistical procedures used in Blue Cross and Blue Shield operations. As to Blue Cross, he said, there is a moral obligation to get hospital service as reasonably as possible. Yet the charges may be out of line because of the inefficient operation of hospitals, loadings for charity patients, and, in the case of private hospitals, because of undue profits. In certain communities Blue Cross has been able to get charges based on cost studies made by the hospitals.

Short stay surgical cases make high per day charges, long stay medical cases produce low per day charges, he pointed out. There is now considerable effort, and he hopes it will succeed, to determine costs scientifically. He said that a subscriber with wider coverage is apt to use it. There is need of a duration table; that is, the elements that influence duration should be determined. Special studies have been made such as analyses by diagnoses, by group experience according to size and percentage of participation, and by kind of service.

Williamson's Review Challenging

Mr. Williamson called attention to Mr. Kormes' suggestion of need in Blue Cross for protection against adverse selection. It is necessary to know how permanent the adverse selection is, Mr. Williamson said. If the whole lifetime is taken, the adversities probably wash themselves out. Also, if lifetime coverage is being considered, early good experience may be misleading in view of long range results.

Mr. Kormes referred to vital cost factors as including age, sex and marital status. Mr. Williamson's comment was that employment also is very important. Group experience shows that employment itself is a selective factor favorable to insurer.

Effect of Tax Recordings

Mr. Williamson wondered if the lags in reports from hospitals and doctors wouldn't be speeded up if the federal government didn't impose a considerable burden on everyone in the withholding and reporting of income taxes. The problem of frequency distribution needs wider exploration, he believes.

One recent study shows that there is no extra cost where there are greater benefits, contrary to Mr. Kormes' statement that with greater benefits there is greater utilization of them, Mr. Williamson said. If there are greater benefits, there may be earlier utilization of both basic and ancillary benefits, which

would tend to reduce the long range utilization of the coverage.

Mr. Williamson said that he has always been horrified at the use of index numbers such as life expectancy, cost of living, etc. These indices are produced under one set of conditions and then applied to another set where considerable differences exist.

A. & H. STATISTICS

A company the size of Aetna Life, writing personal accident and health lines and not group, has to be practical in the statistics it collects, Mr. Streeter stated. As a matter of fact, mass statistics are not collected in the personal A. & H. field.

The actuary's prime objective is to develop a reasonable level of rates. In doing this, he said, the company does keep experience as to sexes apart where possible because otherwise there can be serious results. Age is an important factor in determining premium. As a person grows older he is more susceptible to illness and accident, and Aetna Life beyond 59 charges more premium. Aetna has a mass of data on students which shows a high accident frequency. This drops when they reach marriageable age. Occupation is important and the premium differs by occupation.

Yet a factor that leads to wonder at the reliability of all such figures is general economic change such as occurred in 1930-32 when conditions were not favorable and experience was unpalatable.

Not Subject to Rate Control

The actuary has to keep in mind that the company has to keep in the black, he said. One limitation on the actuary in the A. & H. field is that A. & H. is not subject to rate regulation. Each company determines its own rates. Before the Southeastern Underwriters Assn. case it was possible to collect information in several companies and pool the results to arrive at rate indications. Now standard rates are illegal. The broadening of a coverage or a reduction in a rate by one company can be disconcerting.

Aetna Life's punch card gives accounting information and there has been added to the card enough space to include information as to sex, amount of coverage, and occupation. If the figures get too refined, the experience becomes sparse and incredible. As to losses, such as doctor bills, weekly indemnity, etc., the company does not code as it goes but waits until the loss is settled. This commits the company to a policy year investigation. Its reserve estimates, Mr. Streeter suggested, are probably correct in the aggregate and not quite so correct in individual losses.

It would be important to collect information as to residence and state if the company were reporting to a rating-making bureau. Experience in automobile liability and in fire differs from locality to locality, but for A. & H. the companies do not differentiate in rate by residence. The differences, it is believed, are ironed out by selection.

CONSIDER THE AGENT

It is much easier for the agent in selling A. & H. to say that it is like life insurance, insured pays the same premium each year. It would be possible, perhaps, to show a small decrease

Am. Auto Does
Away with
Mileage DistinctionCuts Farm Rate 15%—
Finds 7,500 Mile Split
Not Justified

American Automobile announces the countrywide elimination of the A-2 classification from its private passenger automobile rating plan, and a general reduction in liability rates for passenger type farm automobiles.

The A-1 classification now includes at the lower rate, those risks formerly classed either A-1 or A-2. They become effective Jan. 5, in Missouri and California, and have been filed in all but a few states.

The new A-1 class will include all private passenger automobiles not used for business purposes or driven by persons under 25, regardless of mileage. For insured formerly subject to a higher rate because of the 7,500 annual mileage limitation, the premium saving amounts to 12½%. The management states American Auto's experience indicated there is no longer a sufficient variation in loss cost to justify continuation of separate rates solely on the basis of a mileage differential.

There is a reduction of 15% for any private passenger automobile owned by a person residing on a farm, providing the owner or anyone using the automobile is not engaged in any occupation other than farming. The lower rate does not apply if there are operators under 25.

in premium when insured gives up skiing, but it would be disturbing to knock 10 cents off the rate this year and put it back in for some other factor next year. The average premium per policy in this field is small, \$30 to \$40, and a company cannot indulge in too many refinements because of expense. The company doesn't attend variation by amount; it corrects any differentials by underwriting, that is if someone wants too much, he doesn't get it. Steadiness of employment has a bearing on a loss ratio. The company doesn't investigate death or disability rate by occupation. This would take years to do and by that time occupations would change.

The relative cost of benefits gives the actuary a chance to use statistics and this experience is worked out in some detail, Mr. Streeter said. Again the company is unwilling to change rates each year. What it does is wait until a marked trend appears. Otherwise it would disturb its business too greatly.

A. & H. companies may not be the place to go to get accident trends. They are not too much concerned if auto deaths go up if at the same time another important cause of accidents go down. In summary, if the prospect is reasonably healthy, his occupation will determine the rate.

Mr. Bailey pointed out some differences between statistics in casualty insurance and elsewhere. For example, before a casualty actuary has statistics, he does know something. If a new coverage is introduced, the underwriters have some idea of what rates should be. Again, casualty actuaries are in a continuing business; there is a wide range and a large spread of risks. Actuaries are making thousands of estimates. The casualty people assume that each insured is different from every other, and in this respect their approach to statistical procedures is peculiar. Casualty actuarial science has to be practical, pertinent to this particular business.

Labor, Government
Are for Federal
Disability PlanTeachers' Forum Elicits
Criticism, Defense of
Enterprise Approach

NEW YORK — The clear division between advocacy of disability benefits at state and national level appeared in vigorous and lively, if friendly, fashion at the forum on new developments in employe disability programs conducted by the American Assn. of University Teachers of Insurance during its annual meeting here. C. A. Kulp, University of Pennsylvania, was chairman and kept the arguments going at a good clip. The participants, however, needed little prompting.

On the panel were Wilbur Cohen, social security board; T. Y. Beams, Eagle-Globe-Royal Indemnity Cos.; Harry J. Becker, in charge of social insurance for United Automobile Workers; William R. Williamson, actuarial consultant, Washington, D. C., and Frank Walsh, Prudential.

State Plans Will Work Better

Messrs. Cohen and Becker strongly favor a federal plan. Both sharply criticized the shortcomings of state plans, in operation or projected. Messrs. Williamson, Beams and Walsh just as vigorously criticized government operated social insurance plans and argued for disability plans under state aegis both because they will work better that way and because assumption of the job by the federal government would seriously affect the economy by removing a major undertaking from private enterprise.

Mr. Cohen declared that only a federal program would produce uniform, equitable benefits. America is a country in which people move around, he said, and the law should not distinguish between persons who need disability coverage because of geography, membership in unions, or the industry they work in. He wants a federal program because costs of administration are reasonable, "they would be less than 7.5% of premiums."

State Route "Chaotic"

In addition, a federal program can cover every one at a cost that people can afford to pay. State disability laws cover only a small part of the population. By following the state by state evolution of providing protection, he declared, there will be built up such a patchwork and chaos of protection no employer could keep track of it. A federal program would be adequate and would provide maximum coverage in a simple, effective, understandable way.

Asked what the unions prefer, Mr. Becker said he agreed with Mr. Cohen. Those working with unions recognize they must look to government for a universal protection program. That would be the floor and would reflect national averages.

To be frank, he added, to the extent union workers don't get what they think are adequate disability benefits, they would seek supplementary benefits through collective bargaining.

With his "simple federal law" Mr. Cohen injects something new, Mr. Walsh commented dryly. His own ex-

(CONTINUED ON PAGE 22)

\$350,000 Fidelity Loss Suffered by N. Y. Shirt Maker

At midweek Louis Chazen, \$85 a week accountant-cashier-bookkeeper of Esley Shirt Co., New York City, still was missing as was substantially more than \$350,000 of the shirt manufacturer's money. U. S. Guarantee had the fidelity bond "in substantial amount."

Chazen is being sought throughout the east on charges of grand larceny. He had worked for the firm 14 years and lived quietly and modestly with his family at Mount Vernon.

According to the district attorney's office, Chazen had interests in several corporations including the Claredon and Ashland, New York City hotels, and Claredon Dress Corp., which is in liquidation.

Accountants are still checking Chazen's books to determine the total loss and his methods. Apparently one means of embezzlement was to submit a bill

for payment which was then paid. Then he would resubmit the bill with other unpaid bills and apparently kept the second payment and deposited it in one of several accounts of corporations in which he was interested.

Another scheme which returned him about \$6,000 a month, according to officials, was to make out checks to various employees for expenses, have them signed by machine and forge endorsements. The Essley Co. uses machine signature for checks under \$250. He concealed the excess payments in the cash books by altering the totals at the bottom of each page. In checking the books auditors discovered what had been occurring and this caused Chazen to disappear, officials said. He was asked to produce a missing voucher. The defalcations extend at least from the beginning of 1947.

Revised Surety Forms Are Put in Compact Cover

An extensive revision of all its standard forms of blanket and forgery bonds has been undertaken by Surety Assn. of America. With a large portion of this program completed, the revised forms have been compiled in a flexible leather loose-leaf binder entitled "Standard Forms of Blanket and Forgery Bonds of the Surety Assn. of America." Copies are now available.

The compilation contains all revisions to date, and as other forms are revised and promulgated they will be made available for inclusion in the binder.

Arranged primarily for the convenience of members of the association and insurance department officials, the compilation affords a ready reference and an easily accessible source of immediate and accurate information, tabbed and indexed. While the forms have been reduced in size for ease in handling, they are complete and unabridged.

The main divisions of the compilation are bankers and brokers blanket bonds, blanket fidelity bonds, forgery bonds, public official bonds, and forms for general use. Each division is prefaced by an alphabetical or numerical index of riders.

The forms were revised by advisory committees in collaboration with John F. Fitzgerald, assistant secretary.

Dates, Speakers Set for Houston, Dallas Meetings

The one-day casualty and surety meetings of Texas Assn. of Insurance Agents will be held at Houston Jan. 26 and Dallas Jan. 27. J. F. Nicolls, Houston, is in charge of arrangements.

Speakers are: Angus McDonald, assistant casualty actuary of the Texas department; J. F. Keating, assistant secretary of Hartford Accident; A. W. Penn, bond and burglary director of the Texas department; T. M. Delaney, chief underwriter of National Surety at Dallas; Raymond Hulsey, assistant manager of Texas Automobile Insurance Service Office; J. A. Jones, Trezevant & Cochran, Dallas, and H. F. Danvers, vice-president of Texas Assn. of Insurance Agents and head of Danvers & Co., Houston.

Bond Survey Progresses

WASHINGTON—Harry Harper of the staff of the House committee on executive department expenditures, reportedly has received replies from practically all government departments and agencies to his questionnaire on surety bonding of government officials and employees.

Mr. Harper conferred Wednesday with David Cohen and M. M. Franklin, technicians of Assn. of Casualty & Surety Companies, regarding the form in which the data on questionnaires should be correlated for the information of the surety industry, the House committee, general accounting office and budget bureau.

Confirm Non-Club Status Ruling on Cal. Auto Assn.

Refusal of the U. S. Supreme Court to review a lower court ruling that California State Automobile Assn. is subject to federal income taxes in effect confirms a lower court decision that the association is not a club. The lower court ruling is of special interest in view of the litigation between the association's inter-insurance bureau and Commissioner Downey of California as to whether the exchange must participate in the California auto assigned risk plan. The decision also may have an effect on other such associations throughout the country. The assigned risk case is now before the district court of appeals in San Francisco with a decision pending shortly.

The Supreme Court decision involves \$234,000 paid under protest by the association in taxes on profits during 1943 and 1944, which the association stated were made because war time regulations prevented exercise of all its services to members. Those were the only years in which the association showed any profit, it was contended.

The government insisted that the association was not a club under the terms of the revenue act and actually a "member is a person purchasing services."

New Hartford Claim Office

Hartford Accident has opened a new claim office in the American building, Cedar Rapids, Ia., with Charles Washler in charge.

Mr. Washler has been with Hartford since 1946 at Chicago and Des Moines. He attended Purdue University and Cincinnati Bible Seminary.

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Experienced casualty and bond manager for progressive indemnity company to supervise Louisiana, Southern Mississippi and Southern Alabama. Excellent opportunity for right man. Address W-99, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

BOND MAN

Strong, nationally recognized indemnity company is looking for experienced bond man for Texas and Oklahoma. Excellent opportunity for qualified applicant. Write Y-1, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

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WINTER HAZARDS call for Comprehensive Personal Liability Coverage

A few months ago a homeowner in an Eastern city received a summons. A woman who had fallen on his icy pavement last winter was suing for \$25,000. The defendant has a small income; a small savings account and no personal liability coverage. Can you picture the fright and worry which will be his lot in the months to come? Don't let this happen to your clients and prospects. There is no bigger insurance value on the market today than the Comprehensive Personal Liability Policy. EVERY householder should have it. When you sell it, be sure the limits are high enough.

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Accident Deaths in 1949 Show Decrease

Total accidental deaths in the United States in 1949 will be about 92,000 or 6,000 less than those of 1948, according to statistics of Metropolitan Life. This will be the lowest record for any of the past 10 years, and in relation to population, mortality from accidents will be the lowest on record.

Metropolitan statistics indicate that each of the main classes of accidents will take fewer lives. Deaths in the home will total about 33,000, down 2,000, while occupational accidents will show a sharp decline as will accidents in public places exclusive of motor vehicle.

Traffic deaths in 1949 will be about 500 less than those in 1948 according to estimates of the National Safety Council. The figures include the November record of 3,020 traffic fatalities, 2% more than November, 1948. The 11-month total is 28,350, a decrease for the year of 2%.

Mileage figures for the first 10 months indicate that travel has increased 6% and the death rate per 100 million miles has decreased from 7.9 to 7.2.

Beazley to Wis. National as A. & H. Sales Head

Samuel G. Beazley has been appointed by Wisconsin National Life as superintendent of A. & H. sales. He attended Northwestern University and following his schooling was in the direct mail advertising business. He later personally conducted a collection business and has had wide experience in sales supervision. The last six years of his business career have been in the home office of Continental Casualty as agency secretary in the A. & H. commercial division. Although he was in the home office, a good portion of his time was spent in field operations.



S. G. Beazley

Mr. Beazley will be a member of the home office agency staff but temporarily will direct his activities from Chicago, where he resides.

Portland, Ore., Unit Put On Full Branch Basis

Elevation of the service department of Aetna Casualty at Portland, Ore., to full branch office status is announced.

Hayward Andrews, who has been superintendent of the agency department at Los Angeles, becomes manager.

Mr. Andrews joined Aetna after attending University of California at Los Angeles. After serving at Cleveland, he was transferred to Los Angeles. He served in the army and came out as lieutenant colonel.

Bates, Lively & Pearson will continue as general agents for Automobile of Hartford for Oregon and part of Washington.

Fidelity & Casualty Puts Out New Agents' Bond Guide

Fidelity & Casualty has just released to its field forces and producers a new Agents' Bond Guide. It is fully indexed for quick reference and is loose-leaf for convenience in making necessary revisions to keep it up-to-date.

It is divided into seven sections: Fidelity, judicial, contract, miscellaneous, license, federal and public official. Each section is printed on colored stock similar to the corresponding section of the fidelity and surety bond rate manual of Surety Assn. of America. Since the pages of the new guide and the bond

manual are the same color and size, they may be used interchangeably if desired.

A tabular chart arrangement in each section briefly and clearly outlines pertinent information regarding type of bond, bond form used, applicable rate manual page, nature of obligation to be assumed, underwriting information needed to expedite execution, as well as cancellation evidence required. Under sectional headings "Sources of Business," the agent is also given practical production suggestions for writing all the most common kinds of bonds.

T. G. Kennedy, personnel manager of the Wisconsin department of Hardware

Mutuals of Stevens Point, has been transferred to Milwaukee as group insurance representative.

O'Connor Goes With Hitke

William K. O'Connor on Jan. 15 will join Kurt Hitke & Co. of Chicago as chief underwriter of dram shop liability, O. L. & T. and workmen's compensation. For 10 years he has been assistant secretary and chief underwriter of Highway Mutual Casualty of Chicago.

Mr. O'Connor started in insurance in Chicago 29 years ago with Royal in charge of the reinsurance department, then joined Northwestern National Fire

as assistant automobile superintendent, returning to Chicago with the old H. G. B. Alexander & Co. agency as auto department superintendent. He was auto manager for Integrity Mutual Casualty of Chicago and then with the Chicago office of Netherlands and of Great Lakes as auto department manager. He became manager of the auto department of Zurich in Chicago in 1929. He opened the Chicago branch of American Indemnity in 1937.

Hospital Service Plan of New Jersey has started enrolling individuals on a non-group basis, including maternity service.



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This insurance can be written quickly and easily as responsible members of the abstractor's business need and want it. We originally drafted this form of policy and have been underwriting it for over 10 years. Our experience can be valuable to you in securing new business and assisting you on your existing accounts.

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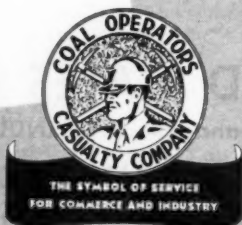
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CASUALTY COMPANY**

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CHANGES IN CASUALTY FIELD

Kitchener Named Casualty Manager of National Surety

A. L. Kitchener has been promoted to casualty manager of National Surety. He succeeds John F. Idler, who resigned to become vice-president of New England Casualty.

Mr. Kitchener, a native of Lindsay, Ont., was graduated from University of Toronto in 1924 and spent two years with Canada Life in its actuarial department. He entered the casualty field in 1927 at the head office of Ocean Accident. In 1937 he was appointed superintendent of the automobile department in the New York metropolitan office of U. S. F. & G., later becoming casualty superintendent.

When National Surety expanded its operations to include casualty lines in 1944, Mr. Kitchener joined the organization to aid in establishing the new department as superintendent of underwriting. He also supervised the automobile department of National Surety Marine.

He has been chairman of Automobile Casualty Underwriters Assn. and on the staff of the Insurance Society school.

Clark Retires, Smedley Named by General Accident

Herbert B. Clark, superintendent of burglary and plate glass department of General Accident, has retired and is succeeded by Frederic H. Smedley.

Mr. Clark's insurance career began in Baltimore in 1904 as a claim supervisor for Maryland Casualty. Subsequently he was transferred to New York and New Orleans in claim work. From 1913 to 1921 he managed the home office claim department of Western Indemnity in Dallas, and in 1921 he joined General Accident as superintendent of the burglary and plate glass department.

Mr. Clark's associates in the home office gave him a testimonial party and presented him a gift.

Mr. Smedley joined General Accident in 1929 in the statistical department. He served as underwriter and claims examiner and in 1939 took charge of production activities of the burglary and glass department. In 1946 he became assistant superintendent.

Coincident with Mr. Smedley's appointment, General Accident has launched a program designed to stimulate production of burglary lines. Frank J. Ward, who was transferred some months ago from Philadelphia, will assist Mr. Smedley.

Lewis Heads Portland, Ore., Office of American Surety

David A. Lewis, assistant manager at Portland, Ore., for American Surety, has been appointed manager there.

Mr. Lewis joined American Surety in 1938. After underwriting and production assignments at Scranton and Milwaukee, he was transferred to Portland as special agent in 1947.

The Portland office, which previously had been a sub-branch of the Seattle office, has been made an independent branch.

Ehrlichman Named Head of United Pacific Board

Directors of United Pacific have named Ben. B. Ehrlichman of Seattle, who has been chairman of the executive committee, to succeed the late George Harroun as chairman of the board.

Mr. Ehrlichman is president of United National Corp., of which United Pacific is a principal subsidiary, and was one of the original organizers of the company in 1928.

Roger L. Shidler, Seattle attorney and general counsel for United National Corp., has been elected a director. Harold L. Baird, vice-president and treasurer, has been appointed executive vice-president. Mr. Baird, a graduate of University of Montana and of Harvard, joined the company in 1930, becoming treasurer in 1939.

Royal Opens New Casualty Offices in Tex., Miss.

Royal-Liverpool group has opened new casualty field offices at San Antonio and New Orleans.

The San Antonio office will be supervised by George J. Henry, state agent, who has been with the company since 1919 and in the Texas field since 1928.

The New Orleans office will serve Royal Indemnity agents in Louisiana, Arkansas and Mississippi and Globe Indemnity agents in Arkansas and Mississippi. William H. Klinesmith continues as general agent for Globe Indemnity in Louisiana.

E. S. Waggaman, regional manager, will be in overall charge, and Walter R. Winters is casualty manager. Mr. Winters joined Royal in 1943 after experience with Fidelity & Casualty. He became assistant manager in Brooklyn in 1946 and most recently has been at the New York office.

Travelers Makes Eight Casualty Field Changes

Travelers has made eight field changes and appointments.

Alvin G. Dodd, field assistant at Chicago, has been promoted and appointed assistant manager there.

Wallace P. Williams, field assistant unassigned, has been appointed to Richmond.

John H. Hanks, field assistant unassigned, has been appointed to the John street, New York city branch.

Marion H. Ward, field assistant at Charlotte, has been appointed in the same capacity at Atlanta.

William S. Hart, field assistant at Hartford, has been transferred to Boston.

George F. Richmond, field assistant at Worcester, has been transferred to Detroit.

James A. Blake has been appointed a field assistant at Salt Lake City, and Edward S. McDaniel has been appointed a field assistant at Houston.

C. J. Washburne Retires

Charles J. Washburne, superintendent in the agency department of Century Indemnity and an insurance veteran of 54 years, has retired. He was 33 years with London Guarantee before joining Century in 1928. He is a native of Braidwood, Ill. Mr. and Mrs. Washburne are moving to Indian Rocks, on the Florida gulf coast.

Frank E. Johnston, a clerk in the agency department, also retired.

Richardson Appointed V.P.

Maine Bonding & Casualty has appointed Augustus S. Richardson, formerly treasurer, as vice-president and treasurer. In other changes Robert C. Byram, formerly comptroller, becomes assistant treasurer and comptroller, Nelson L. Abbott becomes secretary and Frank R. Fowles, Jr., assistant secretary.

H. G. Sauer Retires

Hubert G. Sauer, supervising adjuster of workmen's compensation claims of Travelers, has retired after nearly 48 years with that company. In point of service he was the second oldest man in Travelers home office.

He intends to remain in the insurance business as an agent. His son, H. Bradford Sauer, is an agent of Travelers at Hartford.

ACCIDENT AND HEALTH

B. C. Hospital Plan In the Red for '49, May Hike Rates

VICTORIA, B. C. — The British Columbia government's hospitalization insurance scheme cost the taxpayers \$1 million in 1949, the first full year of operations.

As a result of this loss, government experts are reported considering an increase in the premium rate to as much as \$42 per year for families against the 1949 maximum of \$32. There have been, for a few months, rumors of increases, but nothing as steep as the \$42 level was mentioned.

At the moment, the government is conducting a survey to determine how best to put the plan on an actuarial basis. The province's minister of health and welfare, George S. Pearson, says he is opposed to further premium increases because it will increase the number of those unable to pay.

The government originally estimated the annual cost of hospital insurance at \$12 million. A year ago, when the scheme became operative, single men paid \$15; married couples without dependents \$24 and married couples with dependents \$30. In August it was decided to strike a rate of \$33 for 1950 for all married couples with or without dependents. The rate for single persons was upped from \$15 to \$21.

Due to the fact that a large number of residents in British Columbia have refused to pay the annual premium, returns to the government during 1949 totalled only \$10 million.

Hart Resigns; Davis, Johnson, O'Neil Are Advanced by Ill. Bankers

Hugh D. Hart has resigned as vice-president and director of agencies of Illinois Bankers Life and Orville F. Davis has been appointed director of agencies as well as continuing as secretary. Henry G. Johnson, assistant secretary, becomes also assistant director of agencies. Thomas J. O'Neil, who joined Illinois Bankers last April as manager of the claim department and assistant manager of the A. & H. department, becomes manager of the A. & H. department.



T. J. O'Neil

Mr. Davis started in insurance in 1921 with Commercial Health & Accident of Springfield, Ill., which was merged with Mutual Life of Illinois, this company later becoming Abraham Lincoln Life. When the company was reinsured by Illinois Bankers in 1935, he was director of agencies and continued in charge of the A. & H. department with Illinois Bankers as assistant agency director. He became secretary in 1942.

Mr. Johnson joined the actuarial department of the former Illinois Life in 1915. In 1934 he went with Mutual Life as an agent, joining Illinois Bankers in 1938, becoming agency secretary in 1939 and assistant secretary in 1942. Mr. O'Neil joined the claim department of Federal Life of Chicago in 1930 following graduation from Notre Dame. He was given charge of the regional claim office of Pacific Mutual in 1936, becoming manager of the eastern railroad department in 1948. He

Johnson, O'Neil Careers

joined Illinois Bankers last April. He is a member of the Illinois bar. Mr. Hart was general agent in Arkansas and New York City for Aetna Life before becoming vice-president of Penn Mutual Life in 1927. He was in the investment field before he joined Illinois Bankers Life.

Mass. Protective Appoints Knight as Agency Officer

Mass. Protective Appoints Knight as Agency Officer

H. L. Knight has been advanced to agency vice-president of Paul Revere Life and Massachusetts Protective. Mr. Knight has been eastern superintendent of agencies since 1948. Prior to this he had been in the Union Mutual Life agency department since 1932.

With Union Mutual, Mr. Knight had served as auditor, agency secretary, assistant superintendent and superintendent of agencies, and became agency vice-president in 1945.

Gibney to Central Assurance

Kenneth J. Gibney has resigned as

secretary of Shawnee Mutual of Columbus, O., to become agency manager of Central Assurance there, a newly created position. He has had about 20 years experience in insurance.

New Assn. in Vermont

At a meeting at Rutland, A. & H. insurance men formed Vermont Assn. of A. & H. Underwriters and elected James Neville of Burlington chairman, and Warren Brown of Rutland secretary. Speakers were John Cram, president, and Hermon Davis, past president of New Hampshire Assn. of A. & H.

Underwriters. They made suggestions as to how the new association could improve its organization and build up membership. Permanent officers will be elected in February.

International Board Meets

The executive board of International Assn. of A. & H. Underwriters held a two-day meeting at Detroit. Plans were made for the International convention to be held June 25-28 on the steamer Greater Detroit with Detroit A. & H. Assn. as host. President C. B. Stumpf presided.

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EXCESS AND SURPLUS LINE AGENTS

Teachers Hear Debate on TDB Issue

(CONTINUED FROM PAGE 17)

perience in federal and state governments, he said, made him pessimistic about ever finding a federal law that was simple. Anyway, there is more to the whole subject of non-occupational disability than simple federal law. Private enterprise has done a big job in A. & H. Much remains to be done, but he believes the state is the place to start. To date there are three or four types of law at state level and by learning from them as it goes along, private enterprise can find the right way.

All agree something should be done, Mr. Beams said. A fine job has been done in workmen's compensation which reflects differing conditions geographically and by industry across the country. These W.C. laws have been improved over the years and today upward of 30 million workers are covered. A much better job has been done than would have been done under federal control. He suggested trying out the laws now on the books. The government has demonstrated it does not do as good a job as private enterprise.

Disability Not Catastrophe Risk

Mr. Williamson explained that certain risks are catastrophic, of years' duration; others are serious, lasting a few weeks, still others are minor, they last a few days. The employee disability risk is serious but not catastrophic. The government has experimented with old age benefits and treated the aged pretty cavalierly. After years, less than 20% of the aged get any benefits. Disability is a risk the government is particularly unable to handle. It requires local control. In logic it does not belong in the area of federal provision.

Mr. Becker attacked Mr. Beams' basic premise that the government cannot administer social insurance cheaper than private insurers. Without exception, he declared, government programs are less expensive. He also called Mr. Beams wrong in emphasizing that this is a matter of government vs. another type of plan. The main objective is to meet this problem for all the people. Only a federal plan will reach all of them.

Query from the Audience

Will Allen, a member of the audience, who described himself as a newspaper man and radio commentator, wondered if the quarrel was largely over method. As a layman, he said, he was interested in seeing that a good job is done. Which is the most reliable method; where is there any experience? There has been experience in workmen's compensation; has that been satisfactory?

Mr. Cohen said that Mississippi took 38 years from the time the first state W.C. law went into effect to pass its own W.C. law. At that rate, it would take till 1980 to get disability coverage countrywide. He wants a law that will cover most of the people with reasonable rapidity, that will not distort competition between employers from state to state, or result in considerable inequities in benefits.

The people of Mississippi made the decision for that state, Mr. Beams pointed out; not the people of New York for those who live in Mississippi. People of a state have the right to decide what the state shall have; speed is a less important matter. The record shows that private insurers have done a far better W.C. job than state furnished W.C. protection, he said.

Difference as to Disability

Mr. Walsh said much has been made of the fact that the disability program goes with unemployment compensation legislation. The federal government forced the states to go along with the unemployment compensation act. But there is this difference: Unemployment started from a vacuum whereas disability protection started when there were millions already covered by some form of private disability insurance. Under the compulsory plan, the minimum be-

comes the maximum. In private plans benefits vary. Many employees get more than the minimum. Unions, he thinks, should welcome that kind of opportunity.

Mr. Walsh quoted Mr. Becker that it was simple to bargain for supplemental benefits. However, Mr. Walsh said, the basic benefit is \$22 a week and the union wants to increase it to \$30, the \$8 additional must be supplied by private insurance. The cost of providing the \$8 would be prohibitive. The net result would be that the minimum supplied by the government would become the maximum. In talking about administrative costs in government operation, Mr. Walsh wondered if franking, rental of space, etc., are included.

Brands W.C. as Scandalous

"Workmen's compensation experience is a sad thing," Mr. Becker said. "It is a patchwork of benefits and administration. The costs of overhead, state by state, are one of the scandals of the past decade in the insurance business."

Every argument supports a federal program, he asserted. The cost of administration of old age and survivors benefit insurance has been much less than W.C. He cited the W.C. cost of almost 50% in Michigan.

As for existing benefits, in 1948 automobile industry workers had in temporary disability benefits less than enough to buy food for one week, he said. They could get more in the county relief office. A year ago today the average auto worker had less than half his hospital costs supplied him by private insurance, through employer or otherwise.

One serious objection to a state plan is that disability protection will inevitably end up in 53 different schemes, he added. Employers' costs will vary, workers will have different benefits, there will be different eligibility provisions, different administrative costs, etc. Employers do not have basically the same labor costs, he said.

CRITICAL SHAFTS

The state plans have tended to pick up the bad features of workmen's compensation and unemployment insurance, particularly as to disqualification, he added. Many states do not have the payroll volume that will give them the taxable resources to afford disability programs. New York, New Jersey and California—yes; many others no. The reason insurance companies want a state by state program is that they can better control those programs by lobbying at the state level, he said. Also, it is essential to a well rounded disability program that the non-occupational disability benefits be tied in with medical care on a community basis and with the community rehabilitation programs. The insurance companies cannot do this only the government can.

Mr. Williamson reiterated his point that it is tough to deal with disability at the national level, far from the recipient and local conditions. There comes to be a tremendous intention to get all that it is possible to get without paying for it. He has worked for some years for the government and personally admirable otherwise lie about physical condition to get their 15 days' sickening out leave. In handling disability it is hard to tell whether the condition exists or not, it is expensive to follow through on investigation. If there are low administrative costs, greater benefits are paid. There is no personal responsibility for the funds at a distance from Washington.

Improvement in Industry

Mr. Beams said he had studied industrial plant conditions both before W.C. and after and he knows by investigation the vast improvement that has taken place due to cooperation between em-

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employers and insurers. He challenged Messrs. Becker and Cohen to compare medical payments under W.C. with those under any disability law.

Mr. Cohen said he couldn't use the W.C. experience in connection with disability as an argument for having a state plan because W.C. accidents and diseases are connected with the job while non-occupational disability sicknesses and accidents are not. It is illogical to talk about contracting out the protection with private insurers as is done in W.C.

He added that he favors employer-employee participation in the costs of a disability plan. The employer should consider these costs as part of the cost of doing business and the worker should pay because it keeps him alert to his responsibility. The government should bear part of the cost because good health, economically and otherwise, is a community and national asset.

"Social Purpose" Crops Up Again

The disability program at federal level should start with a basic amount for the individual and then add amounts for dependents, he went on. The benefits should be related to the wage. More important, there should be more weight given to the social purpose of such benefits. The exclusion of maternity benefits shows the anti-social character of state plans written by private insurers.

Mr. Becker said that one reason an insurance company program is expensive and complicated is because of restrictions in coverage. The idea that the worker has a more personalized feeling if the employer deducts for disability and sends it to the state capitol rather than to Washington is not a sound argument, he added.

At this point Mr. Kulp commented that the argument seemed to be largely political and not matters of fact. He then put up to the panel the question of private vs. state insurance.

Mr. Walsh said the prime reason the New York law was tied up with W.C. was to keep the state out of the clutches of Washington. The Rhode Island experience implies the same feeling there. He said the old theory that nobody would shoot Santa Claus has been more or less exploded and read a clipping about a town in Massachusetts where the merchants'-sponsored Santa Claus parade was thrown into confusion when 10,000 children started belting Santa with snowballs because he was late. Mr. Kulp wondered if anyone wanted to speak for Santa Claus, and Mr. Cohen promptly responded that he would.

Doesn't Resemble "Comp"

Mr. Cohen reiterated his statement no. The government exercises no control over Rhode Island withdrawals of funds to its credit in Washington. That the New York law is connected with workmen's compensation he described as pure fiction. There is practically no justification for this except that the two laws are administered by the same agency. Disability is altogether different from compensation, however.

"New York decided to flaunt the experience that existed up to date," Mr. Cohen stated, "and adopted the most complex, most confused and most administratively unworkable disability law in the United States."

He said the insurance companies stated without that the workers in Rhode Island would all take a vacation when that disability law went into effect, which wouldn't happen if there was "contractors' sick out" of the insurance with private carriers. The original contentions of insurers as to Rhode Island were proved false. There is a natural piling up of claims in June-July because that is when they are paid about 20 weeks from the effective date of the plan. He warned his listeners to watch statistical analyses of the arguments against the federal plan.

Mr. Walsh agreed that in benefits, procedure and administration the New York disability law differs from the W.C. law, but he restated his contention that the federal government does exercise some control over unemployment compensation funds in that these cannot

be withdrawn except to pay benefits, none can be used for administrative expenses.

What are the special problems in underwriting in disability?

Mr. Cohen said that selection is a tough question in California, either in the state fund or with the private insurers. Analysis shows that the better risks are taken by the private insurers, leaving the poorer ones for the fund. Thus workers of a lower age, fewer married women, fewer women, and so on are taken by the private companies. He said he understood there was quite a bit of effort to get the workers back into the state plan, which is a feature the California law permits.

He warned against use of individual employer experience as a base in making rates for disability insurance because he thinks it will be, in the long run, unsatisfactory. His good experience may simply reflect the kind of business he is in. Pooling of good and bad risks is a better way in the long run.

Mr. Walsh said the California law provides that if private insurers don't take a certain percentage of women, they can't write the coverage. In New Jersey there is a merit rating plan which accomplishes much the same thing.

Harry W. Hoyt Gives Tips to Aetna Graduates

Harry W. Hoyt, vice-president of the Howard H. Davis agency of Danbury, Conn., told graduates of the 112th session of the Aetna Casualty sales course that in the year since his graduation he had come to realize more than ever the value of the schooling he had received at the course.

"Follow up what you have learned at the course and couple this with a little hard work," Mr. Hoyt counseled the graduates.

Howard H. Davis, president of the Davis agency, who has represented Aetna since 1907, praised the Aetna's educational program for its agents. The privilege of attending such a course, he declared, enables young men starting out in the insurance business "to accomplish more in a far easier manner" than was possible in former days.

C. G. Hallowell, vice-president of Aetna, pointing out that opportunities exist for selling insurance no matter how unpromising the prospects may look at the outset, emphasized that "you don't always have to pick the prosperous lush spots to accomplish good results."

Edward C. Knapp, secretary of the Aetna, pointed out that the relationship

between the company and its agents represented the "closest kind of partnership" and declared that the sales course was one manifestation of this partnership.

"Success in selling insurance," Mr. Knapp emphasized, "requires a versatile and imaginative mind."

Jerry D. Clements of Knoxville, led the class by attaining the highest scholastic standing and earning a gold ribbon award for demonstrating outstanding skill in soliciting techniques.

Honor Ising at Retirement

Harold E. Ising, editor of the "Bulletin," house organ of American Surety, was honored at a luncheon given by A. F. Lafrentz, president, in observance of his retirement after 35 years with the companies.

Mr. Ising started with American Surety in 1915 as editor of the "Bulletin," which was first issued in 1908. Since 1915, the "Bulletin" has expanded to a publication covering every phase of the companies' activities, printed in two colors and averaging 40 pages a month. Its circulation is about 1,800.

In addition to editing the "Bulletin," Mr. Ising handled the companies' advertising and publicity for a number of years.



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COMPANIES

Am. Fidelity & Casualty Capital Is Increased

American Fidelity & Casualty has added \$1 million to its capital through the sale of preferred stock, effective Dec. 30. The company, already the largest in the motor carrier field, has increased its capital in order that it may write a greater volume of business in its class.

Am. Motorists to Boost Capital to \$2 Million

American Motorists of Chicago has paid an extra dividend of 10 cents a share along with the regular quarterly disbursement of 10 cents, making the total distribution for 1949 50 cents.

The directors have recommended an increase in the capital stock during 1950 and a special meeting of stockholders will be held in January to act on the proposal. The management states there probably will be an opportunity for stockholders to purchase additional shares some time during 1950. This is due to a substantial increase in the company's business. The proposal is to de-

clare a 16-2/3% stock dividend amounting to 50,000 shares and to issue 50,000 shares of new stock.

In 1948 capital was increased from \$1 million to \$1½ million by the sale of 100,000 of the \$5 par value shares at \$9 per share.

Hitke Reciprocal Gains

Exchange Insurance Assn., Chicago reciprocal operated by interests associated with the Kurt Hitke & Co. agency of Chicago, increased its surplus in 1949 by \$100,000 to a total of more than \$200,000. There was a gain in surplus in 1948 of \$25,000. The association now operates in Maryland and Pennsylvania, as well as Illinois, writing all forms of liability. Samuel N. Bergman is president and Mr. Hitke is treasurer.

Mutual Bureau Changes

The name of Mutual Casualty Insurance Rating Bureau has been changed to Mutual Insurance Rating Bureau. The change results from a recent revision of the bureau's articles of association. The revision introduced other changes made as a result of the nationwide enactment of rate regulatory laws. There is no change in management or personnel.

SURETY

Short Form Government Bond Use Is Extended

WASHINGTON — The budget bureau has approved a new short form of performance bond and payment bond for use in connection with government contracts. The general services administration has ordered the new bond form printed. It will be required of contractors for government supplies, construction, etc., except military, with which GSA has nothing to do.

The form is only two pages in length and will take the place of an old long-form bond of six pages.

A short form of bond was developed in the navy department bureau of yards and docks since the war, with the idea of saving money. That form has been used exclusively in that bureau.

Surety Course Planned

A three-day seminar on suretyship will be sponsored by the University of Washington during the week of March 20, under the auspices of Surety Underwriters Assn. of Seattle.

Luther E. Mackall, formerly with National Surety, and nationally known writer of text books on suretyship, will conduct the course. Arrangements for dormitories and meals have been made for out of town agents. The cost of the course is \$17.50 per student. Board and room is \$15.

Gives Analysis of S.S. Bill

S. L. Horman, executive vice-president of Time, addressing the January meeting of A. & H. Underwriters of Milwaukee, analyzed in detail the provisions of social security revision proposed under HR 6000. He asserted that the bill is a vehicle that can demolish the present form of government by wiping out personal freedom through the power of taxation.

Mr. Horman declared that the time is long past when insurance men can take a passive attitude toward the political scene. He urged that each agent be familiar with his state senators and assemblymen, and his U. S. Sena-

tors and Congressmen. He furnished each member with a chart outlining the local congressional districts and the representatives from each.

Occidental Life Advances MacEwen and Schmitz

D. C. MacEwen, superintendent of accident and sickness sales of Occidental Life since 1945, has been promoted to superintendent of the accident and sickness department. Walter F. Schmitz succeeds him in his former post.

Mr. MacEwen has been in A. & H. insurance for 40 years. Before joining Occidental, he was vice-president and superintendent of agencies of Pacific Mutual. He is a former president of H. & A. Underwriters Conference.

Mr. Schmitz went to Occidental in 1940 from sales promotion work with the Loyalty group. Since last July he has been assistant superintendent of accident and sickness sales. Previously he had served as agency assistant and Pacific Coast division manager.

Provident of N. D. in A. & H. Field; Kirstner in Charge

Provident Life of North Dakota is entering the A. & H. and hospitalization field.

Herschel Kirstner, formerly with Great Northern Life of Chicago, will direct the new department. He will assume his duties the latter part of January. The company plans to have the first contracts ready for presentation to the field organization at the regional meetings to be held late in March.

Mutual Benefit Health & Accident has elected Eugene J. McNeely president of Northwestern Bell Telephone company, to the board. He fills the vacancy created by the death of Russell J. Hopley.



D. C. MacEwen

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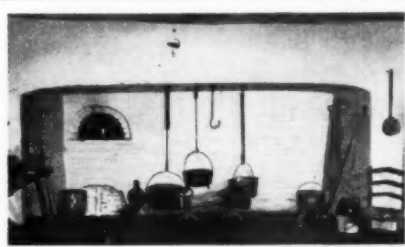
"He suffered much for truth's sake"

IMPRISONED and banished from the country because of his allegiance to the "abominable sect called Quakers," John Bowne steadfastly refused to act contrary to his conscience. His earnest pleas for tolerance won the first official proclamation of religious freedom in America outside of Maryland.

Migrating to this country from his native England, John Bowne eventually settled in Flushing, Long Island, in 1651. With his wife Hannah he roamed through the woods selecting timber for their home which he built in 1661 and which reflected his position as a prosperous farmer. The house is still standing. Now a part of Greater New York, the farm was bought by Bowne from the Indians for eight strings of wampum valued at about fourteen dollars.

It was Hannah Bowne who first became a member of the Friends. Then out of curiosity John attended one of their meetings which had to be held in the woods because of the violent opposition to the sect. He was so much impressed by the beauty and simplicity of their faith that he allied himself with the group, invited them to meet at his house thereafter, and soon became one of their leaders.

As a result, Bowne was thrown into a dungeon at Fort Amsterdam, was kept in solitary confinement on a bread-and-water diet, and ordered to pay a fine, but he refused to do so or to renounce his beliefs. Because of his "contempt of the authorities," he was deported to Holland. However, the Amsterdam Chamber of the West India Company in whose hands his case was put, released him, finding him a discreet man and steadfast in his religion. Moreover, they wrote a firm letter to the officials here: "Let everyone be unmolested as long as he is modest, as long as his conduct in a political sense is unimpeachable,



The Quakers held forbidden meetings in this kitchen where they sat on rows of benches before the fireplace

and for many years he held meetings at his home. Two famous Quakers, William Penn and George Fox, were guests there. So many gathered to hear the latter that he was obliged to conduct his services out of doors under the sheltering branches of two huge oaks which afterwards came to be known as the "Fox Oaks."

For a number of generations Bowne's home remained in the possession of his



Portrait of George Fox hangs beside an early 18th century highboy in dining room

as long as he does not disturb others or the government." This official statement ended the persecution of the Quakers.

By the time Bowne at last reached home, the province had passed into British jurisdiction

descendants. It is now maintained by the Bowne House Historical Society as a shrine to freedom and tolerance.

* * *

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The Home Indemnity Company, an affiliate, writes Casualty Insurance, Fidelity and Surety Bonds

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this Month Harry Hazard helps sell...

Business Office Accounts . . . this is one of a series of forceful direct mail pieces that are a part of the HARRY HAZARD Agency-Aid campaign for 1950 by The American Insurance Group.

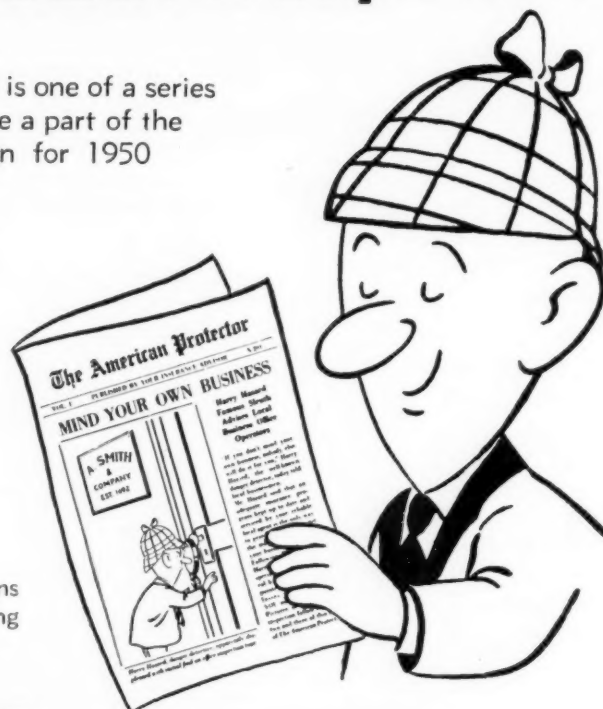
Using HARRY HAZARD, their new Sales-Symbol, American agents seek to sell Accounts of Insurance not individual policies.

1846
The American Insurance Group

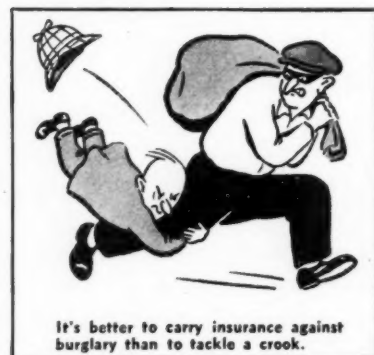
The American Insurance Co.
Bankers Indemnity Insurance Co.

The Columbia Fire Insurance Co.
The Jersey Fire Underwriters

Reproduced below are a few of the illustrations from the mailing piece for Business Offices, pointing out the need for **complete insurance protection**.



Business Office Accounts



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